

FT Weekend



The enemy within
'No boss can have read the López story without feeling a clutch of fear'

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http://www.FT.com



Japan's joker
'They wanted to operate on my brain - I didn't mind becoming a fool'

Page III



FINANCIAL TIMES

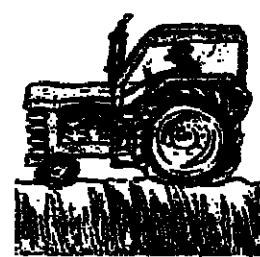
APRIL 12 / 13 1997

FT Weekend



An athlete's gamble
'If Ladejo succeeds he'll have prodigious earning power. For now, it's zero'

Page IX



Rural charms
'You buy a country house. Then one day a tractor appears outside your window'

Page XIV

EC agrees Helms-Burton deal

By Lionel Barber in Brussels and Guy de Jonquieres in London

The European Commission and the US yesterday reached an agreement in principle aimed at resolving their bitter dispute over the Helms-Burton anti-Cuba law.

The proposed compromise, which is subject to approval by EU member states and action by Congress, is intended to remove serious strains on transatlantic relations and prevent a head-on confrontation in the World Trade Organisation.

The deal involves undertakings by US President Bill Clinton to

Compromise could end bitter dispute with US

seek to limit the application of Helms-Burton, which penalises foreign companies "trafficking" in Cuban assets confiscated by the Castro regime.

In return, the EU would request a suspension of a WTO disputes panel hearing its complaint against Helms-Burton.

But the EU would reserve the right to reinstate its case if the US failed to deliver on its side of the deal, or used Helms-Burton against European companies. The

compromise package depends crucially on Mr Clinton securing authority from Congress to waive a provision in the law which requires the US to deny visas to executives of foreign companies "trafficking" in Cuban assets.

Mr Clinton has offered to seek that authority after the US and EU have concluded planned negotiations on an agreement designed to deter European companies from making future investments in expropriated

assets. A spokesman for Senator Jesse Helms, chairman of the Senate Foreign Relations Committee and co-sponsor of the bill, said the senator supported the negotiation.

But he would be surprised if Congress granted Mr Clinton's request unless European companies were also required to liquidate existing investments in Cuba.

The US has reassured the EU that until the end of Mr Clinton's

term in January 2001 it will continue to waive a provision in Helms-Burton which authorises private US court cases against foreign investors in expropriated Cuban assets.

In addition, the US has agreed to seek to shelter European companies from the provisions of the D'Amato law, which penalises foreign investors in the oil industries of Iran and Libya.

The text of the US-EU agreement in principle refers explicitly

to Washington's satisfaction at the speed of the EU response to this week's German court ruling against the Iranian murders of Kurdish exiles in Berlin.

Both the EU and the US are anxious to avoid a confrontation over the WTO disputes panel because a rift between the world's leading trade powers could undermine the authority of the new organisation overseeing the multilateral trading system.

Sir Leon Brittan, EU trade commissioner, will put the proposed compromise to EU ambassadors on Monday.

Hemingway Heritage, Page 3

US sales figures heighten interest rate fear

By Richard Lapper in London and Lisa Branstetter in New York

Strong US retail sales and wholesale price figures yesterday raised fears of a further increase in interest rates, and hit investor sentiment in international financial markets.

US government bond prices fell sharply in early trading in New York, with the yield on the benchmark 30-year bond rising by 0.07 of a percentage point to 7.18 per cent.

Fears of a rise in interest rates - to follow last month's quarter-point increase - also unsettled the US equity market. By mid-afternoon in New York the Dow Jones Industrial Average was down 111.55 points to 6438.1.

The negative mood spread to Europe, with yields on benchmark German bonds rising 0.04 of a point to 5.96 per cent. Other European bond markets were also weaker.

European equity markets closed lower. The FTSE 100 in London fell 42.5 to 4,270.7. In Frankfurt the DAX eased by 33.34 to close at 3,319.24, while in Paris the CAC-40 closed off 33.41 at 2,574.56.

"Most of the weakness has come from the American figures," said Mr Michael Hughes, head of global strategy at BZW, the investment banking arm of Barclays. "There is clearly a concern about higher rates and an increasing expectation that a rise will come at the next meeting [of the Federal Reserve Bank's Open Market Committee] in May."

Details, Page 4; Bonds, Page 7
World stocks, Page 21
London stocks, Page 22

Prime minister likely to quit amid urgent efforts to strike a deal with Congress party

India's United Front administration falls

By Mark Nicholson in New Delhi

India's United Front government fell last night after a day of frantic intrigue and drama culminating in a vote of no confidence in parliament.

Leaders of all 13 leftwing and regional parties in the complex coalition announced that they would reconvene today in an urgent effort to achieve a last-minute compromise with the opposition Congress party which caused their downfall, and thus avoid fresh elections.

As confusion reigned over the eventual outcome, the Bombay stock exchange fell 2.5 per cent at the start of trading, before recovering to end the day 1 per cent up.

Any solution last night seemed likely to require the sacrifice of Mr H.D. Deve Gowda, the prime minister. In a long and indignant speech to the Indian parliament, illuminated with his earthy

humour, he declared: "I know I am going to lay down office." In a bitter criticism of the Congress party and Mr Shree Keshri, its leader, who precipitated the vote, he called for "basic manners in public life".

The vote followed a day of intercrossed dramas - one played out in public on the green-carpeted floor of India's lower house, the other in private at the Andhra Pradesh guest house a mile away, where the political barons of the ruling coalition plotted and haggled over their own survival.

As they met, crowds of journalists paced outside, sipping plastic cups of tea brought by relays of "bearers". They swapped rumours by cellphone amid commands nursing machine guns and the fleets of cream Ambassador cars which attend every gathering of top Indian politicians.

The gathering broke up in a pandemonium of yelling TV

crews, coughing Ambassador engines and a battle of elbows, cameras and shoulders between Delhi's elite reporters and India's elite commandos, who squeezed tight-lipped politicians into their pimp cars, which bearded off red lights flashing, to repeat the circus somewhere across town.

In parliament, a succession of speakers both denounced and defended the UF's 10-month rule to a packed and restless assembly. Mr P. Chidambaram, UF finance minister and architect of its economic reform strategy, told the house "with terrible sadness" that a vote of no confidence would abrogate the "correct interpretation of the mandate of the people" in last May's elections.

But, in a sardonic attack on both the UF and Congress, Mr Jaswant Singh, of the Hindu nationalist Bharatiya Janata party - the most likely party to gain from new elections - said



Embattled prime minister H.D. Deve Gowda arrives at parliament before the crucial vote yesterday

the government had been a "huge lie inflicted on the people of India". Its fall was a result of "personal pique" by Mr Keshri, the Congress president, creating "a wholly artificial, spurious and entirely avoidable crisis."

TV channels scrapped their schedules to broadcast more than twelve hours of debate.

Today's UF meeting looks set to be an internal battle to decide whether and with whom to replace Mr Deve Gowda.

The hope seems to be that a new leader would win Congress support, so the president could be asked for the chance to re-form a government engineered - like the coalition - to keep the BJP from power.

News General

EU hailed on Iran move

The US yesterday welcomed the European Union's swift reaction to a German court verdict which found Iran's leadership responsible for a multiple killing in Berlin. A White House official said the court's finding in the September 1992 murders of four opposition Iranian Kurds was a vindication of US policy which treats Iran as a pariah state and urges other nations to do the same. Page 3

Consultation no bar to job cuts: Companies which involve their staff most closely in decisions are also the most likely to impose job cuts, according to a survey of managers in 10 European Union countries. The response from nearly 5,800 predominantly private-sector employers dashes the image of drole queues created largely by tycoons who run their businesses by whim. Page 2

Mayor tackles UN: New York mayor Rudolph Giuliani, who is up for re-election, has brought the issue of illegal parking near the United Nations to a diplomatic level that could reach the floor of the General Assembly. With 110,000 unpaid tickets last year (31,000 to Russians), the one-time prosecutor has threatened to strip offenders of their diplomatic licence plates. The UN's legal counsel says that violates the Vienna convention on diplomatic immunities. Page 3

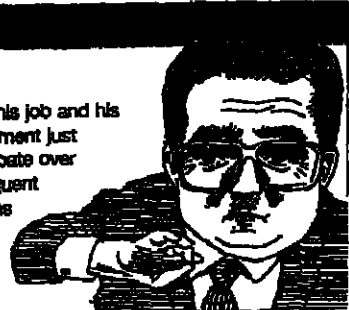
S Korea moves into civil aviation in deal with ATR: South Korea signed a memorandum of understanding with Aero International Regional (AIR), involving France's Aerospaciale, British Aerospace and Italy's Alenia, on its \$1.2bn project to develop a 70-seat jet. It follows collapse of South Korea's venture with China's Aviation Industries and its failed attempt to take over the Dutch aircraft maker Fokker. Page 4

Man in the News

Romano Prodi

The Italian prime minister almost lost his job and his good humour this week as his government just survived a traumatic parliamentary debate over sending troops to Albania and subsequent votes of confidence. But party divisions have been exposed and Mr Prodi's own position seriously weakened.

See page 9



News Business

Better birthday for Disney

Flamboyant birthday celebrations at Disneyland Paris - 10 years after the Walt Disney company signed an agreement with the French government to build the theme park and five years to the day since its gates opened - mark a time when the US entertainment giant can begin to breathe a sigh of relief over its cornerstone European asset. Even some of its fiercest critics - whether Gallic intellectuals, US financial analysts, or its bankers and investors - have enjoyed the park. Nearly 500 visitors have passed through the gates in the past five years. In the year to last September alone, there were 11.7m, making it one of the most popular attractions in Europe. Page 25

French utility merger plans: Suez and Lyonnaise des Eaux de France formally announced their plan to merge, creating a combined group focused on utilities that would have a turnover of FF210bn (\$38.26bn) and be one of France's largest quoted companies. If investors approve the deal at annual general meetings in June, they will receive 20 Lyonnaise shares for each of the 41 Suez shares they hold. Suez will also pay its shareholders an exceptional dividend of FF13.5bn in advance of the merger. Page 26

Heat turned up on Gazprom: The Russian government has given the gas monopoly Gazprom one month to agree to a restructuring, possibly involving a break-up. Gazprom's domestic shares fell 4 per cent in early trading as investors worried about the ultimatum but they recovered some of their losses when Gazprom said it would propose steps to restructure the industry, increase foreign investment and disentangle itself from its many debts. Page 26

Boeing branches out: Boeing Enterprises, the diversification division set up by the US aerospace company earlier this year, said it planned to add aircraft maintenance and data services to its portfolio. Officials said several options, all part of chairman Philip Condit's recently unveiled global strategy, were being considered. Page 28

Zulus win mercury poisoning fight: Twenty South African workers poisoned by mercury agreed to accept R9.4m (\$2.1m) in settlement of a High Court action against Thor Chemicals Holdings, a British multinational. The men, all Zulus, sued the company and its chairman, Desmond Cowley, in the UK after falling ill while working at its plant at Cato Ridge, Natal, in 1992. Their English solicitors, Leigh Day & Co, described the agreement as "a landmark settlement with major implications for other British multinationals with operations in the developing world". Page 6

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NEWS: EUROPE

'Open' companies lead job-loss league

By Gordon Cramb in Amsterdam

Companies which involve their staff most closely in decisions are also the most likely to impose job cuts, according to a survey of managers in 10 European Union countries.

The first results of the survey of nearly 5,800 predominantly private-sector employers - released to an EU conference organised by the Dutch employment ministry which ended in Amsterdam yesterday - dash the picture of a dole queue replenished largely by tycoons who run their businesses by whim.

Instead, says the report by the Dublin-based Epoc Research Group, "the more extensive the scope of direct participation, the more accompanied it was likely to be by reductions in the number of employees".

To be told that careless talk costs livelihoods will come as a blow to European labour organisations, which can claim as one of their few victories of recent years the right to consultation by large employers. Its embodiment came in the social chapter of the Maastricht treaty, which Britain's Labour party has pledged to join if elected on May 1.

Although 48 per cent of the UK

businesses surveyed had no formal direct involvement of employee representatives in decision making, they scored better than five other countries on the list.

In the usually consensus-minded Netherlands, 67 per cent gave staff no role.

Management by decree existed most strongly in Portugal, where 76 per cent did not provide information to workers on the strategic course of the business.

When asked whether involvement extended to negotiation or joint decision-making on organisational change, rather than just information or consultation, Den-

mark emerged highest with 45 per cent.

The UK's 18 per cent indicated a regime at least as collegiate as that prevailing in France, on 16 per cent.

More significant than country differences were the overall effects, conference participants maintained. Of companies which consult or negotiate, 67 per cent said they had achieved cost reductions, while only 52 per of those providing no worker involvement felt able to make the claim. The former also had better records on output improvements, quality, and absenteeism.

But while just 21 per cent of the "top-down" employers said they had achieved a reduction in personnel, 36 per cent of the most "open" companies had shed staff. Some at the conference argued that this largely reflected the introduction of modern management systems, where employee participation went hand in hand with rationalisation but did not cause it.

Direct employee participation in Europe. Epoc Research Group, European Foundation for the Improvement of Living and Working Conditions, Wyatville Road, Loughlinstown, Co Dublin, Ireland. Free

Lisbon bridge fails to cross cash divide

Peter Wise on tussles behind Europe's longest river crossing

As a feat of civil engineering, the Vasco da Gama bridge being built across the Tagus estuary in Lisbon inspires awe. But behind Europe's longest river crossing is a tussle over who is going to pay for it.

The conflict centres on the toll charges for using the 18km road crossing - effectively a debate about whether taxpayers or bridge users pay for the Es180bn (\$1.1bn) investment, which is Europe's biggest private-sector infrastructure project since the Channel tunnel.

The issue, which became politically charged after a violent commuter revolt on a nearby bridge in 1994, is one of a series of problems that have beset Lusoponte, the international consortium which won a build and operate contract for the bridge in April 1994.

The contract involves the transfer of the bridge to government ownership after 33 years.

Environmentalists protests have forced Lusoponte, led by Kvaerner, the Norwegian

engineering group, to invest in a nature reserve to protect black-winged stilts and other rare birds that breed in salt pans beneath the crossing.

One early difficulty appears to have faded. Bouygues, the French construction company that headed the losing consortium competing for the contract, alleged the concession was unfairly awarded. It did not appeal, though, and the allegations have been denied by Lusoponte and the Portuguese government.

But the toll question, vital to the financing of the project, threatens to persist.

Under terms of the concession contract, Lusoponte plans to charge about Es40 (\$2) for a car. Any less would incur a commercial loss, it says. This is more than twice the price that led angry motorists to blockade the April 25 suspension bridge, 20km downstream. If the Socialist government decides to impose a lower toll to avoid the risk of more protests, it will have to add



The Vasco da Gama bridge: conflict centres on toll charges for using the 18km road crossing

substantially to compensation already paid to the operators.

The stand-off, which has to be resolved before the bridge opens next March, highlights the potential conflict between commercial and political interests in such deals.

"Every time the government tinkers with the toll mechanism, the bridge becomes less a project finance initiative and more a traditional public-sector infrastructure," says a Lusoponte executive.

In June 1994 riot police clashed with hundreds of motorists who blockaded the April 25 bridge for 10 hours at the height of a week of militant protests over an increase in the toll from Es100 to Es150. As a result

the toll on this bridge, also operated by Lusoponte since January 1996, has been frozen by the government at Es150 at least until 1998.

But the two bridges have to charge the same if the Vasco da Gama crossing is to fulfil its prime purpose of relieving congestion on the April 25 bridge, which is used by more than 140,000 vehicles a day. Few commuters would be attracted to a new bridge that costs more than twice as much to cross.

Lusoponte's contract envisages that the toll on the April 25 bridge should have

risen to at least Es240 by now, climbing to about Es400 on both crossings next March. But two governments have already unilaterally revised the terms twice in less than three years, holding down the toll and paying the consortium Es19.9bn in compensation.

"The project finance aspect of the new bridge is being heavily diluted," says a Lisbon investment banker. "Government payments to the operator are undermining the principle that users rather than general taxpayers pay for the project."

Kvaerner acquired its 24.8 per cent stake in the consortium when it bought Trafalgar House of the UK last year. Campenon Bernard, a French construction company, owns an equal holding and five Portuguese companies together hold 50.4 per cent.

Most finance for the project remains in the private sector, although 35 per cent of the investment comes from the European Union's cohesion fund.

But government intervention is altering the project risk in ways the financial backers and operators are finding difficult to assess. The only certainty, says one analyst, is that the unknowns in the complex equation are steadily increasing.

EBRD facing calls for funds

By Anthony Robinson, East Europe Editor

Governments, banks and companies from 26 former communist countries will make their pitch for more funds and higher investment this weekend as the annual meeting of the European Bank for Reconstruction and Development gets under way in London.

The bank was set up in 1991 to facilitate the transition to capitalism. This year's meeting comes at what the latest EBRD transition report describes as "a turning point from post-socialist decline to recovery" - although the spectrum ranges from virtual anarchy in Albania to signs of the long-promised turnaround in Russia with its 168m people and \$440bn economy.

The EBRD notes that "macro-economic stability" is the pre-condition for recovery throughout the region. But discussion over the next four days will focus on ways of sustaining that stability through greater transparency and a stronger legal and regulatory framework.

So far only the "fast-track" central European and Baltic states have laid the ground-

work for sustainable growth of 4-6 per cent annually.

Growth at these rates is needed to narrow the gap between east and western Europe.

But this requires steady productivity gains, which in turn hinge on progress in a range of areas. These include privatisation, enterprise restructuring, market liberalisation, bank reform and general strengthening of the financial sector.

Progress in all these areas will be under review. Hungary, which has achieved a remarkable turnaround after two years of rapid privatisation and export-led growth at the expense of living standards, leads the productivity pack with five years of double digit labour productivity gains fuelled by nearly \$15bn of foreign investment.

This is the highest in the region, although Poland is catching up fast after a slow start. Hungary's belt-tightening at home and export drive contributed to a 40 per cent drop in net foreign debt to \$12bn from more than \$60bn two years ago, when the country faced a Mexican-style debt crisis.

Italians begin Albania mission

By Robert Graham in Rome

Advance units of the Italian-led multinational military mission to ensure distribution of humanitarian aid in Albania began securing Tirana airport yesterday.

Italian transport aircraft began flying at dawn into Tirana from Pisa, accompanied by special forces units. The operation lasted throughout the day and proceeded without reported incident.

The Italian navy began preparations at the Albanian port of Durres for next week's arrival of the bulk of the 6,000-strong force from eight European nations.

The mission has been endorsed by the United Nations. But there are clear divisions within the EU over how to restore normality to the troubled Balkan state. Britain and Germany have declined to send troops. Apart from Italy's 2,500 troops, the main contingents will be from France and Spain.

It is the first time Italy has led such a force.

EUROPEAN NEWS DIGEST

Spanish price rises slowing

Spanish inflation slowed again last month to an annual rate of 2.3 per cent, from 2.6 per cent in February and a full point off the figure at the end of last year. The economy and finance ministry said the figures, the lowest since the 1990s, brought Spain more comfortably within the range needed to qualify for the first group of countries joining the planned single European currency. But it warned that the first quarter's performance was helped by "transitory factors".

Consumer prices rose 0.1 per cent in March after slowing by the same margin in February. Higher cigarette prices were offset by a continued slowdown in food costs, which were just 1 per cent above the level a year earlier. Underlying inflation, omitting volatile fresh food and energy prices, slowed from 2.3 per cent to 2.1 per cent.

The headline rate, well within the government's initial objectives, is the same as the target it aims to reach in 2000 under the "stability plan". It is due to submit to Brussels. The plan, approved by the centre-right cabinet yesterday, aims at average annual growth of 3.5 per cent in the period.

David White, Madrid

Belgacom cuts data charge

Belgacom, the partly privatised Belgian telephone monopoly, has agreed to slash the prices it charges phone directory publishers for information about subscribers, the European Commission announced yesterday.

The agreement follows a Commission investigation triggered by complaints by ITT Promedia - the Belgian affiliate of ITT World Directories of the US, which publishes both white and yellow pages in competition with Belgacom Directory Services - that Belgacom was overcharging, partly to protect its publishing subsidiary.

The deal means a reduction of more than 90 per cent in Belgacom's initial charges. The Commission stepped in to recommend a tariff structure after the national regulatory authorities in Belgium failed to take a tough enough stand against Belgacom.

Lionel Barber, Brussels

Serb minister shot dead

A masked gunman yesterday shot dead Serbia's acting interior minister, state media said. General Radovan Stojicic was killed in a central Belgrade restaurant. Police sealed off the area but failed to catch the lone assassin.

General Stojicic had led Serbian paramilitary units during the wars in Croatia and Bosnia, and was regarded as a close ally of President Slobodan Milosevic. Although he was the most senior politician to be murdered in recent years, his death follows a series of unexplained killings in the capital. Some are believed to be linked to criminal gangs.

Guy Dismore, Belgrade

Moldova talks breakthrough

Moldova and its separatist Dnestr region have made a breakthrough at talks on improving relations, Eur-News agency said yesterday. It quoted Mr Yevgeny Primakov, Russian foreign minister, as saying months of deadlock had been broken at talks on Thursday night on normalising ties following bloody clashes in 1992 over Dnestr's independence demands.

Reuter, Chisinau

Greenpeace activists acquitted

A Greek court yesterday acquitted 17 Greenpeace activists who staged a 24-hour blockade of an oil refinery near the Corinth canal to protest over oil pollution. The court in the southern city of Corinth found eight Greek and nine foreign defendants not guilty of trespass or hindering a public service company, charges that carry a five-year prison term. The captain of the Greenpeace ship that helped blockade the Motor Oil refinery in November for four months was sentenced to four months' imprisonment for refusing to obey coastguard orders but was released pending an appeal.

The activists took over the refinery's port to protest against a spill at its docking facilities in August. They were removed by coastguard commandos, who cut through chains pinning them to mooring buoys and loading cranes.

Reuter, Athens

A strike by Italian petrol pump attendants next week will be cut from three days to 24 hours in a sign of goodwill, the union said yesterday. The strike, which is scheduled to start on Tuesday evening, is over a plan by the state-owned oil company Eni to give discounts to motorists who fill their own tanks, with service stations covering part of the discount.

Reuter, Rome

Russian President Boris Yeltsin yesterday dismissed four senior military commanders, including General Vladimir Semenov, the head of Russia's land forces who had already been suspended and accused of "actions incompatible with his post". No reason was given for the sackings.

Reuter, Moscow

Turkey will spend at least \$1bn to buy military equipment over the next 10 years, Mr Turgut Bayraktar, defence minister, said. The plan includes buying 106 helicopters, early warning aircraft, advanced missiles and radar systems, tanks and five frigates.

AFX, Ankara

The Bank of Italy has named Mr Antonio Finocchiaro, its secretary-general, as deputy director-general to replace Mr Tommaso Padoa-Schioppa, who left the bank to become chairman of Consob, the stock exchange watchdog.

AFX, Rome

French consumer prices climbed a provisional 0.1 per cent in March after a 0.2 per cent rise in February, the statistics office said. The finance ministry attributed the slowdown to sharp falls in fresh produce prices due to exceptionally warm weather.

AFX, Paris

Swedish unemployment in March amounted to 8.4 per cent of the workforce, down from 8.8 per cent in February.

AFX, Stockholm

Finland had a trade surplus of Fm3.8bn (\$780m) in January, the government said, revising its preliminary calculation of a Fm4bn surplus.

AFX, Helsinki

WEEKEND BUSINESS		
LEGAL NOTICES No. 00880 of 1997 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION COMPANIES COURT IN THE MATTER OF HENDERSON EIGHTH TRUST PLC IN THE MATTER OF THE COMPANIES ACT 1985 NOTICE IS HEREBY given that a Petition was on the 21st March 1997 presented to Her Majesty's High Court of Justice for the winding up of the said Company. (A) the sanctioning of a Scheme of Arrangement; and (B) the confirmation of the Reduction of the Capital of the above-named Company by cancelling shares of the said Company in accordance with the terms of the said Scheme of Arrangement. AND NOTICE IS FURTHER given that the said Petition is directed to be heard before the Companies Judge at the Royal Courts of Justice, Strand, London, W.C.2A, 2LA, on Monday 21st April 1997. Any creditor or shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said Reduction of Capital should appear at the date of hearing in person or by Counsel for that purpose. A copy of the said Petition will be furnished to any such person requiring the same by the undersigned Solicitors on payment of the regulated charge for the same. DATED the 10th day of April 1997 Slaughter and May (M0404) 35 Broadgate Street London EC2M 2QS Tel: 0171 600 1200	BUSINESSES FOR SALE BUSINESS FOR SALE Interior refurbishment and construction company available for sale with first class customer base and reputation. The directors are willing to assist the purchaser in a smooth changeover. Turnover circa £2 million. Suitable for company with similar interest. SALE PRICE £300,000 Write for further details to: D J Barwick & Co. 600 Renshaw Road Macclesfield Cheshire SK10 2AD	TELECOMMUNICATIONS SAVE ON INTERNATIONAL PHONE CALLS • Digital Switching/Fiber Optic Lines • AT&T and Other Networks • Use from Home, Office, Hotels, Cell Phones • 24 Hour Customer Service Call now for New Low Rates! Tel: 1.206.284.8600 Fax: 1.206.270.0009 Lines open 24 hours kallback The Online Phone Service
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Netherlands plans summit soon after British elections

Move to break EU deadlock

By Lionel Barber in Brussels

The Netherlands was last night set to announce a special European Union summit in Maastricht on May 23, three weeks after the British general elections on May 1. The move is intended to break the deadlock over talks on the EU's future and puts the next British government - Labour or Conservative - on the spot.

However, other EU countries which have been hiding behind the present British Conservative government's hardline stand in the inter-governmental conference (IGC) will also be forced to reveal their hand, senior diplomats said.

try to wrap up the IGC at a summit in Amsterdam to keep on track preparations for the planned launch of the single currency and enlargement of the EU to central and eastern Europe. The Dutch presidency has long signalled it is interested in holding a special EU summit in May in the hope that the next British government will be better placed to break the deadlock over issues such as majority voting.

The idea crystallised on Monday at a meeting of EU foreign ministers in Noordwijk which exposed deep divisions between small and large states over plans to streamline the EU's institutions and decision-making ahead of enlargement.

The argument over the future size of the Commission and the reweighting of votes in the decision-making Council of Ministers showed that institutional reform remains the most sensitive issue in the IGC.

The opposition UK Labour party was initially opposed to a special summit in May, or at least an announcement from the Dutch presidency at this early stage in the British election campaign.

Their fears were borne out this week when the Conservative government accused EU leaders of arranging a summit in the hope of "softening" up Labour and securing concessions on social and employment policy in a Maastricht 2 treaty. Mr

David Davis, minister for European affairs, said: "Europe is preparing a tailor-made, sell-out summit for new Labour."

The Labour party has pledged were it to win the election, to sign up to the social chapter in the new treaty - a move which the 14 other member states would welcome. But the party shares the Conservatives' opposition to ceding control over UK borders.

An incoming Labour government would also share many of the present government's positions on EU institutional reform, and would oppose the Franco-German plan to merge the EU with its fledgling defence arm, the Western European Union.

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The bell tolls for Hemingway heritage

Pascal Fletcher on how conservationists have hijacked the writer's celebration of big game fishing and men's hunter-killer instincts

Nature lovers are finally catching up with the late US writer and adventurer Ernest Hemingway, whose 1952 classic "The Old Man and the Sea" is an inspiration for big game fishermen.

The Pulitzer Prize-winning novel relates an old fisherman's solitary battle to hook and harpoon a great blue marlin off Cuba. Like Mr Hemingway's other famous novels about bull-fighting and big game hunting, it is an unashamed celebration of man's hunter-killer instincts.

But purists among Hemingway's followers will be disappointed to learn that moves to take the blood out of the sport of big game fishing have now spread to Cuba, where the Nobel Laureate author lived, wrote and fished for 23 years and is a local legend.

Organisers of Havana's annual Ernest Hemingway International Billfish Fishing Tournament, started by the writer himself in 1960, are planning a new no-killing rule for this year's event, to be held on May 19-24.

The blue marlin, swordfish and other billfish headed during the event, instead of being harpooned or clubbed to death and then strung up later alongside their proud captors for the obligatory photograph, will be weighed, measured and tagged on each boat and then released alive back to the depths.

"The idea is to try to preserve the species," said Mr Juan Manuel de la Nuez of the tournament's organising committee. He added the "tag and release" practice, part of a growing worldwide trend towards the protection

of animal and fish species, was increasingly being adopted in big game fishing contests.

About 40 teams have initially registered for this year's 47th Ernest Hemingway tournament, based at the Marina Hemingway in western Havana. Besides local crews, competitors in past years have come from Mexico, Spain, Italy, the Caribbean and even the US, in spite of the US economic embargo against Cuba which restricts travel by US citizens to the communist-ruled island. Expecting last-minute withdrawals, organisers predict the final number of participants could be around 25 boats and crews.

While the future of this annual dollar-earning tourist attraction seems guaranteed, Cuban authorities have been less charitable towards the

self-employed local fishermen who used to push out each day from Havana's Malecon seafront in a small flotilla of makeshift rafts and inflated inner tubes.

These inner-tube anglers were put out of business in March by new harbourmaster regulations that required them to obtain certificates of seaworthiness for their flimsy craft. The bureaucratic measure eradicated one source of fresh fish for dinner tables and private restaurants in Havana.

Hemingway would have mourned their disappearance. The occasional sight of one of these ragged local fishermen trudging wearily home against a blood-red sunset with a big swordfish draped over his shoulders seemed to come straight out of the pages of "The Old Man and the Sea".



Hemingway with an 800-pound swordfish caught during the filming of *The Old Man and the Sea*

US applauds European stand on Iran

By Bruce Clark in Washington

The Clinton administration yesterday welcomed its European allies' swift reaction to a German court decision which found Iran's leadership responsible for a multiple killing in Berlin.

"The European Union and the German government have responded appropriately," said Mr Michael McCurry, White House spokesman. He was referring to the explosion of four Iranian diplomats from Germany and the suspension of the EU's "critical dialogue" with Iran.

Mr McCurry said the court's judgment on the September 1992 killing of four Iranian Kurds was a vindication of US policy, which treats Iran as a pariah state and urges other nations to do the same.

Senator Alfonse D'Amato, sponsor of controversial US legislation that would penalise other countries for doing business with Iran, said the verdict provided "proof of what I have said all along... that Iran is the foremost sponsor of international terrorism".

world's third largest oil exporter. But there were fears the German court's verdict might cause some European countries to support unilateral US sanctions aimed at restricting much-needed foreign investment in Iran's offshore oil and gas industry.

European oil companies did not appear overly perturbed at the course of events, saying it was too early to tell whether the diplomatic dispute would pose an impediment to future investments. Only Total, the French company, has so far made a direct investment in Iran's oil sector.

An Iranian resistance group yesterday urged European countries to cut off diplomatic and economic ties with Tehran following the verdict.

Mr Mohammad Mohammadsin, chairman of the foreign affairs committee of the National Council of Resistance of Iran, said in Bonn that the EU's response to the judgment had been too weak and would encourage Iran to

UN outraged by parking ticket row

By Michael Littlejohns, UN Correspondent in New York

Mr Rudolph Giuliani, New York's outspokenly acerbic mayor, is up for re-election this year and he knows that few American politicians ever lost votes by denigrating the United Nations.

With considerable fanfare, he announced last month that from April 1 diplomats who rode roughshod over parking regulations would lose their special licences, forcing them to obey parking rules or be liable for a parking fine.

Last year, they totted up more than 134,281 unpaid parking tickets - with Russia, the worst offender, accounting for 31,000.

The row has brought New York's love-hate relationship with the United Nations to a new low.

Late on Thursday, the UN committee on host country relations decided to submit the parking problem for consideration "as a matter of urgency" by the full UN General Assembly.

That 185-nation body is now preparing to discuss what many might consider the more pressing issue of the near breakdown of the Middle East peace process.

No matter, New York's alleged contravening of diplomatic protocols was even considered serious enough to raise, if necessary, at the World Court.

What proved the clincher for the committee - which voted 18-1 (with the US against and Britain abstaining) - was a report by a frantic Moscow delegate that while members talked, the police were towing away a Russian mission schoolbus.

It transpired that the vehicle was double parked and the police relented after hour-long negotiations with the driver, who finally agreed to pay a fine.

The row led Mr Hubert Legal, the French delegate, to suggest that both Geneva and Vienna, cities with a large UN presence, were infinitely more hospitable.

Mr Giuliani retorted if the organisation wished to move, this was fine with him

as the vacated headquarters would be a real estate bonanza. He avoided mentioning the loss of thousands of jobs and an estimated \$3.2bn a year that the UN community contributes to the local economy.

The UN legal counsel, Mr Hans Corell, subsequently ruled that removal of diplomatic immunity for parking offences would contravene the Vienna convention. The US State Department, now headed by the former UN delegate Mrs Madeleine Albright, at first stood firm, citing the salutary effects of similar draconian measures in Washington.

But since Mr Corell's ruling Mrs Albright has indicated a willingness to back down.

Mr Kofi Annan, the UN secretary general, who weeks ago invited the mayor to stop by and get acquainted but has yet to receive his acceptance, is alarmed by the furore. He fears it can only harm further the tarnished UN image among Americans and make it even harder to collect \$1bn in US arrears.

Meanwhile, many New Yorkers are angry with their mayor who in a small gesture quietly increased by more than 100 the number of special parking spaces reserved for diplomats in the city. He has since threatened to withdraw these if the State Department reneges on its pledge.

Mr Melvyn Kaufman, a prominent real estate developer, may have spoken for all New Yorkers when he exclaimed: "Why do these diplomats need free parking? They are not priests giving last rites or doctors saving dying people."

Mr Bill Richardson, the US delegate, believes that diplomats can perfectly well use public transport. France's Mr Legal rejected any such notion, calling the subways dirty, buses unpunctual and taxis dilapidated.

Mr Annan, meanwhile, who yesterday marked his first 100 days in office, has never had a parking ticket. In his 34 years in New York, he has never owned a car.

Farm town takes a calm view as Bre-X gold fever subsides

By Scott Morrison in Vancouver

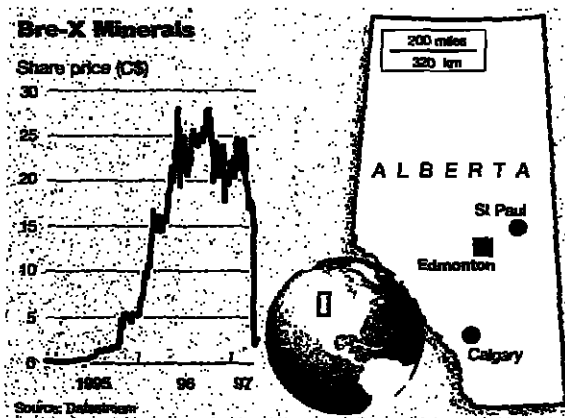
A cloud of uncertainty has descended on the small Canadian farming community of St. Paul, Alberta, home to what is perhaps the highest concentration of Bre-X Minerals investors in the world.

As many as 100 people in the town of 5,000 invested in Bre-X, the controversial Canadian company that claims to have found one of the world's richest gold deposits in a remote corner of Indonesia.

The town buzzed with excitement every time Bre-X increased its gold estimate, eventually reaching 71m ounces. Some residents mortgaged their homes and invested retirement savings to ride the Bre-X wave. At least five or six local investors became millionaires, by some accounts, and others netted hundreds of thousands of dollars in profits.

"Word spreads like wild fire in a small community. In a matter of days everyone in town had probably heard of Bre-X," says Mr Guy Drouin, the only stockbroker in St. Paul, 200km north-east of Edmonton.

The excitement turned to shock and disappointment in



March when Bre-X's partner, Freeport-McMoRan Copper & Gold, announced that preliminary tests at the Indonesian site revealed "insignificant" amounts of gold. Panicked investors dumped Bre-X shares in an hour of frenzied trading that saw the company's stock value plunge by 85 per cent.

"There's definitely some disillusionment [in town] and there's a sense of betrayal generally among Bre-X shareholders," says Mr Drouin, of RBC Dominion Securities.

Most St. Paul investors, excited by - yet wary of - Bre-X's soaring share price, are believed to have sold a majority of the company's

stock before the controversy began. Local bankers and credit union officials say they are not aware of any bankruptcy filings or home repossessions in the wake of the crash.

Townfolk insist the affair has not changed St. Paul, a traditional community with strong rural roots and a politically conservative populace. But rumours circulate in town that a handful of residents were devastated by the crash and many, like restaurateur Marcus Phillips, acknowledge they held on to an undisclosed number of shares.

"People are frustrated and anxious to know what's going on," says Mr Phillips,

who also cashed in on the gold fever by offering Bre-X burgers at his restaurant.

Mr Robert Porozzi is taking a philosophical view of the controversy. Another early Bre-X investor who sold most of his holdings before the crash, Mr Porozzi still owns an undisclosed number of shares, refusing to believe reports about the deposit.

"If there's nothing there, maybe I can hang the [stock certificates] on the wall as a reminder, but I still feel there is going to be something there," he says.

St. Paul investors remain suspicious of the controversy. Like Mr Porozzi, few believe Bre-X silted samples to mislead shareholders. Many point out that geological anomalies might be responsible for the discrepancies.

Talk of Bre-X has been subdued in St. Paul since the shock of the crash sunk in. Hot tips and occasional loud boasts have turned to whispers, but residents are trying to remain hopeful that additional test results at the end of the month will confirm what they believe.

Mr Phillips' restaurant is still offering a Bre-X burger, although it is advertised at a substantially lower price.

Why Netanyahu and Arafat need each other

The two leaders are tied together in the Oslo accord straitjacket, writes Judy Dempsey

Hartzufim, an Israeli satirical television series in which politicians are mercilessly mocked, recently ran a sketch few viewers will forget. It showed Mr Benjamin Netanyahu, the Israeli prime minister, and Mr Yasser Arafat, the Palestinian leader, sharing a bed which was supposed to symbolise the peace process.

The sketch was remarkable in that it showed how Mr Arafat had become accepted by Israelis, particularly since only a few years ago no radio or television station would even refer to the Palestinians and it was illegal for Israelis to meet members of the Palestine Liberation Organisation.

It also showed how, despite all the vicissitudes of the peace process, both leaders need each other, even

more so following the wave of unrest in the West Bank after Mr Netanyahu's decision to build a new Jewish settlement at Har Homa in Arab east Jerusalem. The question is who needs whom most.

The Oslo peace accords made any Israeli leader dependent on Mr Arafat and vice versa, since the accords are designed not merely to create confidence and trust. They are also about mutually requiring both sides to fulfil certain conditions leading eventually - whether Mr Netanyahu accepts it or not - to the creation of a Palestinian state. Above all the accords are a straitjacket for both leaders.

"It is the irreversibility of those accords which Netanyahu is only now realising," said Mr Meron Benvenisti, an historian and former deputy mayor of Jerusalem. "But he does not understand that Oslo also means both sides have to manage the conflict together."

For all his criticism of Mr Arafat in recent weeks, accusing him of giving a green light for terrorist attacks against Israeli targets, Mr Netanyahu has become increasingly reliant on the Palestinian leader to combat terrorism.

On Thursday night, he said Mr Arafat had co-operated in uncovering an underground cell run by Hamas, the militant Islamic movement, implying that since Israel's withdrawal from parts of the occupied West Bank, it needs the Palestinians more than ever for the exchange of information on security. Israel cannot man-

age alone.

But if Mr Netanyahu is reluctant to admit his dependence on Mr Arafat, Mr Arafat is just as dependent on the Israeli leader. "The Palestinians have a second chance to have a state, having lost it in 1948," said Mr Benvenisti. "It is rare to have a second chance. Arafat cannot blow it now."

However, according to analysts, Mr Netanyahu will do everything possible to reduce the geographical size of that state, believing he can push the Palestinians into a small space or homeland.

"That is one of the reasons why he wants to rush forward to the final status talks, bypassing the Oslo interim agreement," said Mr Shmuel Sandler, a political scientist at the Bar Ilan University in Tel Aviv. But Mr Arafat will resist - on the streets - to prevent this happening, and to save Oslo.

The Israelis recognise the street is Mr Arafat's strongest card. It was the lessons of the intifada - the Palestinian uprising - that showed that the coercive powers of the Israeli state could not break the will of the Palestinians. This led the late Mr Yitzhak Rabin to realise the conflict could not be managed without a partner.

"Israel has understood the limitations of its power after the intifada," said Mr Benvenisti. "Netanyahu still has the coercive powers and Arafat has the power of the weak. But neither will emerge as victor with these weapons, which is the underlying point of Oslo."

In recent weeks, each side has used the weakness of the other's position to promote his own interests in what has evolved into a reverse co-operation. "But I still believe that there is no alternative to Oslo," said Mr Martin Kramer, director at the Moshe Dayan Centre think-tank at Tel Aviv University.

Mr Dennis Ross, the US special Middle East envoy, who has invested so much energy into Israeli-Palestinian conflict, is due to return to the region in a bid to break the impasse. "The Oslo process is the only one available," a senior diplomat said. "I don't believe the US is prepared to undo the straitjacket. Netanyahu, whether he likes it or not, has no other partner except Arafat - whose state beckons."

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NEWS: INTERNATIONAL

US sales see strong quarter

By Nancy Dunne
in Washington

US retail sales edged up only 0.2 per cent in March, but an upward revision in data for January and February suggested continuing inflationary pressures in the economy and added to speculation of additional tightening by the US Federal Reserve.

The slow growth in retail sales - depressed by a 6 per cent slide in the car sector - was less than expected by Wall Street. But the upward revision of both January and February's figures by the Labor Department gave a year-on-year rise of 13 per cent for the first quarter - growth at least as strong as in any quarter in the last 20 years.

The strength in consumer spending was "even more apparent now" than when the Federal Reserve raised interest rates by a quarter of a percentage point in March, said Mr Christopher Low of the HSBC Group, an international banking and financial services organisation. "The probability" of a May rate rise had increased, he said.

The wholesale price data, also released by the government yesterday, were more ambiguous. The producer price index fell, but by only

0.1 per cent, compared with a 0.4 per cent fall in February and a 0.3 per cent drop in January. It was the first time the index fell three months in a row since 1993.

Energy costs fell 3.4 per cent during the month, the largest decline since March 1991. The price of consumer goods fell by 0.2 per cent. Food prices rose 0.9 per cent, led by a jump in vegetable prices.

Some analysts were alarmed by an 0.4 per cent increase in so-called "core" prices, which excludes volatile energy and food components.

But Morgan Stanley, in its Economic Data Bulletin, saw the report only "a bit worse than expected" - the core rise was attributable to "out-sized" increase in aircraft and tobacco prices, and prices otherwise "were relatively benign".

The bulletin noted that increases in waste paper, aluminium, copper and cattle hides were mostly responsible for the rise in the cost of crude materials, and that these prices had started to turn sharply down recently.

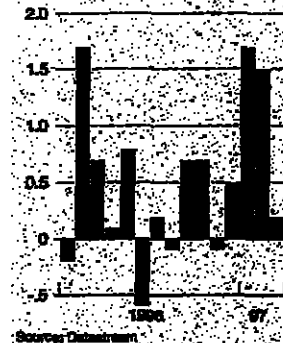
Most economists yesterday were predicting further increases by the Fed. "Two uglier economic reports could hardly be imagined," said Mr Bruce Steinberg of Merrill Lynch.

The retail sales report was "troubling," he said, because both durable and non-durable spending were very strong in the first quarter. However, warm winter weather and early tax refunds shifted spending into the first quarter, and he expected much smaller spending gains in the second.

Despite this he expected a 25 basis point move at the May 20 meeting of the Fed and would not rule out a 50 basis point rise.

US retail sales

Month on month % change



Nguyen Thanh Sinh and Nguyen Viet Chup (above) leap over the ditch where they caught Douglas 'Pete' Peterson (right) after he had been shot down in northern Vietnam. Mr Peterson has been named as US ambassador to Hanoi

US ENVOY SEALS HANOI LINKS

Vietnam yesterday welcomed the appointment of the first US ambassador to Hanoi, saying it signalled the American people's desire for a new relationship 22 years after the end of the Vietnam war. Jeremy Grant reports from Hanoi.

The long-delayed confirmation of former congressman Douglas 'Pete' Peterson was confirmed by the Senate in Washington on Thursday.

"I think this is a great step. It should be considered as an impetus for better relations in many other fields," said Mr

Le Van Bang, Vietnam's ambassador designate to Washington.

Mr Peterson spent more than three years behind bars in the "Hanoi Hilton" prison after being shot down in a bombing raid over northern Vietnam. He is expected to return to the Vietnamese capital and take up residence within two weeks.

The US and Vietnam established diplomatic relations in 1995 but progress on cementing economic ties - notably a trade agreement and a commercial aviation deal - has been

slow. Domestic political resistance among some in the US Congress to closer relations has been as much to blame as suspicion within the communist leadership over US motives for wanting closer ties.

However, a visit to Vietnam by the US Treasury secretary, Mr Robert Rubin, this week appeared to advance the process another step. While in Hanoi, Mr Rubin signed an agreement that committed Vietnam to paying back \$145m in wartime debts owed to the US by the former South Vietnam.

S Koreans enter civil aircraft industry in deal with AIR

By John Burton in Seoul

South Korea yesterday made its latest attempt to enter the civil aircraft industry by signing a memorandum of understanding with Aero International Regional (AIR) on the development of a 70-seat jet.

The agreement could end a frustrating quest by South Korea for a joint venture partner that would provide aircraft technology. A partnership with Aviation Indus-

tries of China collapsed last year, while a proposed takeover of the Dutch aircraft maker Fokker failed for financial reasons.

South Korea hopes to acquire a 30-40 per cent stake in AIR's \$1.2bn Airjet 70 project once a formal contract is signed, possibly in July. AIR, a commuter aircraft consortium consisting of France's Aerospatiale, British Aerospace and Italy's Alenia, also plans to make 58-seat and 94-seat versions

of the aircraft at its main plant in Toulouse, France.

South Korea is expected to help build the fuselage for the Airjet 70, while it has been promised its own final assembly line for the aircraft once sales exceed 370-400 units. It will have Asian marketing rights for the aircraft, which is expected to be launched in 2001.

However, several issues still need to be resolved, including technology transfers and royalty payments.

AIR has the largest share of the global market for regional aircraft with 28 per cent and sales of \$1.4bn in 1995. Asia is expected to become the biggest market for the regional aircraft over the next two decades because of the rapid expansion of air routes.

AIR plans to capture 40 per cent of the global market for commuter aircraft by 2020 with sales of 1,000 aircraft. But it will face tough competition in the Asian market from China and Indonesia, which are also developing regional jetliners.

ment has been pushing strongly for a civil aircraft project to replace its assembly of F-16 fighters, which is due to end in 1998. Otherwise, the aerospace labour force and production facilities would become idle.

South Korea has also been holding talks with Airbus on the development of its super-jumbo passenger jet, with the possibility of acquiring an equity stake of 5-10 per cent in the project.

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INTERNATIONAL NEWS DIGEST

Clinton veto plan blocked

The White House yesterday voiced disappointment after a fudge struck down a law giving the president greater flexibility to veto expenditure. The so-called line-item veto has enjoyed support from both President Bill Clinton and leading Republicans.

Both sides saw the veto, which entitled the president to strike out particular items from a bill which had passed into law, as a useful instrument in their efforts to negotiate a balanced budget. However, a federal district court said the veto violated the separation of powers laid down by the constitution. The White House is considering an appeal. The veto would give the president greater freedom of action in eliminating spending or tax exemptions tagged on to major bills by special interest groups.

"We're disappointed and we're studying the opinion," said Mr Michael McCurry, White House spokesman, who added that Mr Clinton had intended to use the veto to protect taxpayers' interests. *Bruce Clark, Washington*

NTT must cut cellphone stake

NTT, Japan's leading telecoms operator, has been ordered to reduce its stake in NTT Docomo, its cellular phone subsidiary, in order to promote fair competition with rival cellular phone operators. The Fair Trade Commission says NTT should reduce its 95 per cent stake when NTT Docomo is listed on the stock exchange. NTT said yesterday it would not cut its stake to below 50 per cent. The commission said NTT's virtual monopoly over the local telecoms network gave NTT Docomo an unfair advantage. *Michiko Nakamoto, Tokyo*

Thailand was able to increase its Yankee bond issue to \$600m from an expected \$500m but was forced to scrap an expected 30-year tranche of the bonds as investors balked at pledging long-term funds to the kingdom, underwriters and bankers close to the deal said yesterday.

The 10-year Yankee bonds will have a coupon of 7.75 per cent at a spread of 90 basis points over US treasury bonds. That compares favourably with the 155 basis point spread that Bangkok Bank, the country's largest commercial bank, paid for its \$300m Yankee bond in January, bankers said, but was higher than the 75-80 basis point spread that underwriters had originally sought.

Bankers said there was demand for the 30-year bonds but at a price that was deemed unacceptable by Thai authorities. *Ted Bardackie, Bangkok*

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Japanese seek iron ore stake

A group of Japanese companies has formed a consortium to bid for a stake in Companhia Vale do Rio Doce, the state-owned Brazilian mining company and the world's largest iron ore producer. The consortium comprises seven leading steelmakers including Nippon Steel and NKK, and five trading houses including Mitsubishi and Nishio Iwai. It is aiming to acquire at least 10 per cent of Rio Doce shares for an estimated ¥30bn to ¥40bn (\$236m to \$315m).

Analysts believe that the move reflects Japan's concerns about excessive reliance on Australia as a source of iron ore, amid growing domestic demand for steel. Australia at present supplies more than 50 per cent of Japan's iron ore needs. Rio Doce provides about 20 per cent. *Gwen Robinson, Tokyo*

Canberra cuts defence staff

Australia yesterday announced a big reorganisation of its defence forces, which it claims could save \$1.1bn (US\$770m) a year, about 10 per cent of the defence budget. About 3,100 civilian jobs would go, notably in Canberra.

About 4,700 military positions will also be cut from administration and support areas, although at least half of these will be redeployed in combat and combat support roles. The changes stem from an efficiency review, and focus on defence administration and support areas rather than troop numbers.

The savings will be used to boost spending on Australia's military capability. *Nikki Tait, Sydney*

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FINANCIAL TIMES

UK ELECTION '97

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Savimbi spurns swearing-in of Angola 'unity' government

Rebel Unita movement retains control of interior and diamond wealth while MPLA dominates new government in Luanda

Angola's rebel Unita movement yesterday joined the ruling MPLA party in a power-sharing government of national unity - after 19 years of civil war, three years of "peace" and months of wrangling over the unity government.

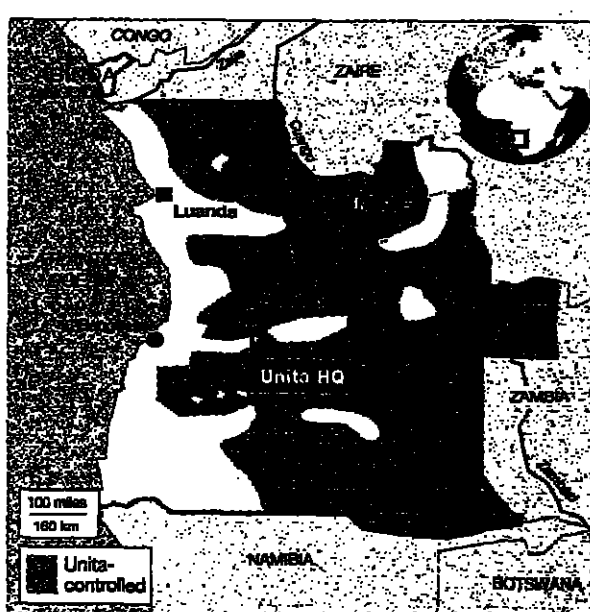
Even so, in an ominous note, the rebel leader, Mr Jonas Savimbi, refused to attend the ceremony, remaining instead in his mountain retreat.

In the capital, Luanda, President Jose Eduardo dos Santos, oversaw the swearing-in of the new government, in which Unita has four ministries and seven vice-ministries, but which is dominated by the MPLA.

Numerous African heads of state, including Presidents Nelson Mandela of South Africa, Robert Mugabe of Zimbabwe, and Frederick Chiluba of Zambia, attended the ceremony, which the United Nations is keen to portray as one of the final steps in ending southern Africa's last great conflict.

Mr Mugabe spoke of an "historic moment, after the trials and tribulations" of achieving peace in Angola. Unita and the MPLA signed a peace treaty in Lusaka in 1994, ending the long civil war in the oil- and diamond-rich country.

Formation of the new government coincides with the start of a phased withdrawal of 6,000 UN peacekeepers. Amid the celebrations, some of the visiting dignitaries sounded a note of caution. Mr Mandela said he was "disappointed" that Mr



Savimbi had spurned an invitation to the ceremony. "The spirit of the day is such that both sides should have turned up," he said. Mr Savimbi says his security cannot be guaranteed in Luanda. He fled the city in 1992, after fighting resumed following Angola's first multi-party elections.

The new government has the task of rebuilding a country ruined by 19 years of war, much of it fought with sophisticated weapons supplied by rival super-powers. Despite the destruction of Angola's transport links and agriculture, it remains a country with huge economic potential. Angola produces 700,000 barrels of oil a day, most of it from offshore

fields beside the northern enclave of Cabinda. It also has extensive diamond reserves, principally in the north-eastern province of Lunda Norte. It is estimated that Angola produced \$700m of diamonds in 1995; the vast majority of them were smuggled out of the country.

Both Unita and the MPLA will have to show considerable goodwill if these assets are to be harnessed for a more prosperous future. The enmity between the MPLA and Unita, part ideological, part ethnic, runs deep. "There is now a facade of unity in Luanda that bears little reality to what is going on in the countryside" complains one aid worker. Unita remains in control of

about 70 per cent of the country, including the most valuable diamond-producing areas. These are still heavily guarded, and remain inaccessible to outsiders. "Unita's willingness to allow outsiders into diamond areas will now be a crucial test of their commitment to peace," says one industry expert.

UN officials admit they are concerned that in recent months the process of forming a unified national army, while simultaneously demobilising surplus government and Unita troops, has been virtually paralysed. The UN faces the daunting task of demobilising about 40,000 Unita soldiers before August, when the last peacekeeping troops are due to leave.

"It's going to be very tight," says one UN official. In the meantime, 19,000 Unita troops have deserted UN quarantining areas, adding to the insecurity affecting some provinces. The MPLA, however, believes Unita's position has been badly weakened by the virtual collapse of the regime of President Mobutu Sese Seko in neighbouring Zaire. Mr Mobutu has been a vital ally to Unita, allowing it to ship diamonds through Zaire for years, and import weapons and fuel. "We are very encouraged by what has happened in Zaire, and we think it has made Unita more co-operative," said one minister. Mr Savimbi appears to have fewer options now.

Barnaby Phillips



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NEWS: UK

Zulus in mercury poisoning settlement

By Robert Rice,
Legal Correspondent

Twenty South African workers poisoned by mercury won a historic legal battle yesterday when they agreed to accept R9.4m (£2.1m) in settlement of a High Court damages action against Thor Chemicals Holdings, a British multinational.

The men, all Zulus, sued the company and its chairman, Mr Desmond Cowley, in the UK after they fell ill while working at its plant at Cato Ridge, Natal, in 1992. The men's English solicitors, Leigh Day & Co, described the agreement as "a landmark settlement with major

implications for other British multinationals with operations in the developing world".

Two other British companies, RTZ and Cape Asbestos, are being sued in London in similar cases. RTZ is being sued by a lung cancer victim who claims to have contracted the disease working in one of its Namibian uranium mines. Cape is being sued by several South African workers who allegedly contracted mesothelioma while working for the company's subsidiaries.

All three cases, brought with the support of British legal aid, have involved protracted battles in the English courts over jurisdiction.

Thor offered to settle only after the Court of Appeal rejected its application for the case to be transferred to South Africa.

Three workers - Mr Peter Cele, 21, Mr Englebert Ngobo, 55, and Mr Albert Dlamini, then 25 - were hospitalised in 1992 with severe mercury poisoning.

Mr Cele died seven months later. Mr Ngobo died three years later in hospital after that and Mr Dlamini is now severely disabled.

Two other workers, Mr Frank Shange and Mr Langlehile Khanyile, also died. The 15 others claimants are all suffering in varying degrees from brain and neurological damage.

Thor began manufacturing mercury products at its plant on the south-east coast of England. Throughout the 1980s the plant was heavily criticised by the UK Health and Safety Executive for bad working practices and overexposure of workers to mercury. In 1987, it transferred its mercury operations to Cato Ridge. Mr Cowley was primarily responsible for the design of technology and systems at the Natal plant.

The South African authorities concluded the poisoning was the result of the same defects identified by the HSE. Rather than reducing mercury levels, Thor controlled exposure by "recycling"

workers. Those with high mercury levels were sent to work in the gardens until their levels dropped.

Thor said later it had settled because the costs of pursuing the case would have exceeded the settlement.

Mr Richard Meeran, of Leigh Day & Co, said: "This company tried to exploit these black workers by adopting working practices that would never be acceptable in Britain."

"Let this case be a lesson for other British multinationals that they cannot ride roughshod over workers in the developing world and get away with it."

Opposition party pledges economic stability and no return to past disorders

Labour makes pitch for business support

By John Gapper in London

The opposition Labour party yesterday made a determined effort to improve its relations with private enterprise by launching a "business manifesto" with support from a number of leading business executives.

The move by Labour, which was founded in 1900 to represent trade unions in parliament, towards seeking support from entrepreneurs and directors of large companies has been among Mr Tony Blair's priorities as party leader.

The launch of the business manifesto, promising companies a stable economic environment and no return to past disorder in industrial relations, came as European Monetary Union surfaced as an election issue.

The Conservative party, which remains well behind Labour in opinion polls, renewed criticism of Labour for being largely funded by unions, and antagonistic to private enterprise.

Mr Blair admitted at a media briefing in the City of London that support from figures such as Sir Gerry Robinson, the chief executive of the leisure group Granada, did not show that most private sector employers had been won over.

The general election campaign

"I do not think that everybody in the business community is coming over to Labour... but even those business people who do not support us now know that there is a Labour party which believes in business and enterprise," he said.

The Conservatives have tried to show that the instincts of Labour remain anti-business. In one Tory press advertisement, Mr Frank Dobson, a shadow cabinet member, is quoted as having described some employers as "thieving, incompetent scum".

But Mr Blair, who said he had met 10,000 business men and women in the past two years, insisted that "all the evidence now shows that mainstream business opinion believes it can work with a Labour government".

Apart from promising to stick to Conservative government targets of keeping inflation below 2.5 per cent, Labour has ruled out the repeal of Tory industrial relations law and signalled a greater openness to privatisation.

Mr Robinson said he was disturbed by the Tory gov-

ernment's "inability to provide a firm British lead in Europe". He also accused the Conservatives of "scaremongering" about the effect of European legislation such as the social compact.

Mr Blair also criticised Mr John Major, the prime minister, over the disclosure that Mrs Angela Browning, an agriculture minister, had opposed pooling of gold and foreign currency reserves under the EU's Maastricht treaty.

Her statement, in a message to voters in her constituency, was controversial because Mr Major has tried to keep open a possibility that Britain could join a single European currency in two years' time.

Mr Major defended Mrs Browning on the grounds that she had simply ruled out "the transfer of national sovereignty over tax and spend policy". Mr Major, who has come close to ruling out Britain joining Emu in 1999, said he agreed with her.

Both Conservative and Labour parties have promised to hold a referendum before taking action on a single currency. However, divisions remain strong within the Conservative party, whose activists are largely anti-Emu.



Tony Blair at the launch of Labour's business manifesto

Labour's election pledge to business

- Stable prices, with a target of inflation of 2.5% or less, tough rules on borrowing and spending, and no rise in the basic and top rates of income tax.
- A new drive for public/private business partnerships to modernise the "transport network".
- Creation of a skilled workforce by cutting class sizes and setting new targets for literacy and numeracy.
- Leading reform in Europe to promote competition and open markets.
- Backing for small businesses to end late payment of debts.

Exporters sound the alarm on sterling

By Richard Wolfe
Midlands Correspondent

After 125 years of whistle-blowing they reckon they know how to sound the alarm at J Hudson & Co (Whistles).

From the football referee's legendary Acme Thunderer to the emergency whistle on thousands of lifejackets, the tiny Birmingham-based manufacturer has fought off cheap Asian competition to export about 80 per cent of its 4.5m whistles every year.

But since sterling began its rapid rise in early August last year - surging 18 per cent against a basket of other currencies - the company has been sounding the alarm on its own account.

"Normally we would have sold 1.13m whistles in the first quarter, but we actually sold 795,000. That is disastrous," said Mr Simon Topman, managing director.

The downturn was only half the story. Customers had postponed their orders in the hope that sterling would fall back. When it carried on rising this month, they could not wait any longer and swamped the company with demand.

In fact, J Hudson & Co is coping better than most exporters in the UK's Midlands manufacturing heartland.

The UK's machine tool producers are suffering after five years of rapid export growth. Since 1992, Bridgeport Machines of Leicester has doubled its sales to continental Europe, to about 40 per cent of turnover. That growth came to an abrupt halt this year. Instead of selling about 200 machines a year to Germany, Bridgeport now expects to sell fewer than 100. Mr Malcolm Taylor, managing director of Bridgeport in the UK and president of the Machine Tool Technologies Association, said: "We are in danger of losing all of the effort we have put into growing our market share in Europe."

Instead of exporting its products, one Midlands company is exporting a whole factory. At Bloxwich Engineering, the sharp rise in sterling has forced the company to move manufacturing in one of its divisions to a new plant near Durban in South Africa. The company exports about 60 per cent of its production of locking systems.

Mr David Field, managing director, said: "You look to make yourself as lean as possible. But then you are hit by something like exchange rates, which you cannot control. We are gradually moving production to South Africa to survive."

Factors beyond the wallet stir anxiety

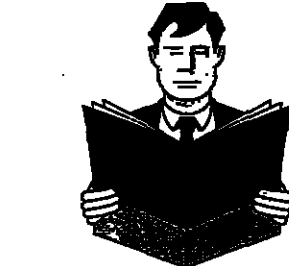
The boast of Mr John Major, the UK prime minister, that "Britain is booming - Europe isn't working" may not be making much impression on the voters, but it has percolated through to the UK's second cousins in Europe.

Germans hear the Conservatives claiming credit not just for falling unemployment, but for less concrete successes such as the "hip" reputation of London and the success of British fashion designers in Paris.

But the Conservatives look likely to lose the election. So why, my editors want to know, are these fortunate British voters preparing to send their masters packing?

The explanation is not easy. But many voters who have been at the cutting edge of Conservative policies for 18 years may still be waiting to experience the feel-good factor themselves. They may also doubt, in the face of what they see around them, the accuracy of the government's main claim to success: low unemployment.

Undoubtedly the rate has fallen, but by how much? The official figures are heavily qualified by many observers. Few other countries have massaged their totals 32 times, downwards. Until last August even the Bank of England, the UK central bank, was unconvinced, arguing that much of the fall in the number of unemployed was caused by people leaving the workforce. "Almost the entire net improvement in unem-

LOOKING IN
DIETER CLAASSEN

ployment performance in the 1990s was accounted for by the rise in inactivity," it wrote.

The prevailing wisdom is that it is the wallet that ultimately determines the placing of the cross in the box of the voting booth. But this time, a number of factors beyond the wallet have created a feeling of unease - or even fear - of the future under the Conservatives.

Millions of voters may not relish the prospect of being "empowered" in every sphere of their daily lives, where good old father state might perfectly well continue to manage some duty of care. When they wait as "customers" or "clients" for a privatised train that never arrives, or for a hospital bed for a long-overdue operation, they may wonder where could it all end under another Conservative government. Will they be encouraged to set up their own

local hospital emergency units? And what will happen to their pensions under those channily regulated private providers?

When I compare the UK to Germany and other European countries it is obvious that Britain is 10 years ahead in the restructuring of her economy, particularly with regard to privatisation, deregulation and labour market flexibility.

My own country, having been extremely successful with a consensus approach for more than 50 years, is finding it hard to adapt. People suffer from an overblown sense of entitlement.

But when Germans look at Britain they see substance wages, deteriorating working conditions and increasing job insecurity for the many; growing affluence for a few. This increasingly inequitable society - the "testbed of privatisation and deregulation", as John Kenneth Galbraith called it in the 1980s - is now the home of several privatisations gone wrong. Many voters see themselves as the victims of inadequately regulated, voracious private monopolies with a poor service culture and reluctance to invest - the original object of privatisation.

Continued leakage of 25 per cent to 30 per cent of water supplies and dilapidated trains and signals on the railways tell their own tale.

The voters have seen the future, and may not want much more of it. They want to forego the prospect of

ever more "revolutions", be it in pensions or in the classroom. They want a less strident conservatism with a human face - and that is where Tony Blair, the Labour leader, comes in. Many seem to be saying that former prime minister Baroness Thatcher's vision of Britain's future, famously expressed in her telling phrase "there is no such thing as society", should be followed by a more caring political culture that is less fragmented, less polarised and more hesitant to vilify the disadvantaged.

Nevertheless, 18 years of conservatism have left their mark on the left. People seem to have forgotten that radicalism is possible. Any attempt to resurrect it flounders at the first hurdle, that well-rehearsed question: "Where is the money coming from?"

The tax reductions under three Conservative administrations may well be regarded as sacrosanct, especially by the corporate sector and higher income earners who have become the new Untouchables since the 1980s. With conservative thinking so pervasive, Tony Blair is obviously well advised to forswear any radicalism - at least for now.

The writer is London correspondent of *Sueddeutsche Zeitung*.

More election news at the Financial Times website <http://www.ft.com>

UK NEWS DIGEST

BSE meeting spurs farmers

Farmers leaders said last night they had had "an extremely positive and constructive" meeting with Ms Emma Bonino, the European Commissioner, where a lifting of the export ban on UK beef was discussed. Ms Bonino took charge of food safety issues on April 1, and is responsible for the scientific procedures which must be followed before the ban can be raised. It was imposed last year when the UK government said there could be a link between bovine spongiform encephalopathy in cattle and Creutzfeldt-Jakob disease, the fatal human brain condition.

Sir David Nash, president of the National Farmers' Union, said: "Although I do not expect the ban to be lifted overnight, I am greatly reassured by today's meeting. The Commissioner seems determined to move ahead with the necessary scientific procedures."

Ms Bonino also told Sir David and Mr Sandy Mole, Scottish NFU president, that she would visit the UK to see the working of anti-BSE controls. The farmers' leaders raised the issue of cheap imports of beef to the UK putting pressure on cattle prices. Mr Mole said "we are not afraid of fair competition but we can't be used as a dumping ground while our hands are tied".

NORTHERN IRELAND

Shipbuilder wins \$8m contract

Harland and Wolff, the Northern Ireland shipbuilder which is facing a possible 290 redundancies, has won a \$8m (£3.1m) contract to refit the Arcadia, P&O's new cruise liner. This is the first deal won by its new joint venture with Mivan Marine, a privately owned engineering company in the north-east of the region, which specialises in everything from ship outfitting to theme parks and Buddhist temples. The announcement is a big boost for Harland and Wolff - based in Belfast, the Northern Ireland capital - which reported its first operating profit in 20 years this week. Pre-tax profits were \$2m on sales of £118m, against a loss last year of \$6.8m.

The Arcadia, currently operating as the Star Princess, will replace the Canberra, a Belfast-built ship, which is being taken out of service in September. The refit will comprise a complete mechanical overhaul, as well as refurbishment of the dining areas and the creation of two bars. The work is expected to take 23 weeks, with the ship ready to sail from her home port of Southampton, in southern England, in December for a 12-night Christmas cruise to Morocco and the Atlantic islands. A berth on her first three-month world cruise leaving on January 5 will cost £7,795.

SALARY LEVELS

Health chiefs' pay increases 6.2%

Salaries for the chief executives of state health service trusts rose by an average of 5.3 per cent last year - double both the rate of inflation and the increase in basic pay for doctors and nurses. A survey by Income Data Services, the independent body that monitors wage trends - for the year to March 31 1996 shows salary changes ranging from a 30 per cent rise to a fall of almost 20 per cent.

On average, trust chief executives earned £68,000 (£100,440) in basic salary and £68,000 in total remuneration - a 5.9 per cent rise with the inclusion of bonuses, of which fewer were paid last year. Just under 60 of the almost 400 trust chief executives received double-figure rises. Seven were paid more than £100,000.

IDS said the rises were "broadly in line with executive increases elsewhere".

Mr Chris Smith, Labour's shadow health secretary, said it was the fourth year that NHS managers' pay had increased at double the rate for doctors and nurses. Mr Smith accused the government of allowing the pay of many trust chief executives to "gallop out of control".

Mr Stephen Dorrell, the health secretary, said large trusts have revenues of £100m and it was important they were well managed. Pay was decided locally, he said, "in the context of the performance of the individual hospital".

A wider spread of private sector wage agreements is appearing in this year's pay bargaining round, although most deals fall within the 3 per cent to 3.9 per cent range, well ahead of the 2.7 per cent inflation rate. An analysis from Income Data Services finds that 22 of the 84 new settlements are at 4 per cent or above. Nicholas Timmins

INDUSTRIAL CONFLICT

Firefighters vote for strike

Industrial conflict in the UK's fire services threatens to ignite later this month, it emerged yesterday. Firefighters in south-east England voted by 58.2 per cent to 41.8 per cent to support strike action as a protest at cuts in jobs and equipment. The Fire Brigades Union said further industrial action ballots will be held among members in London, and eastern England. The municipal authority employing the firefighters said "green goddesses" - military fire engines - and soldiers would be on standby during the strikes but the cost of alternative firefighting cover could amount to £1m a month.

SPENDING HABITS

Consumers are 'more realistic'

Britons are still not allowing themselves to return to the "spend, spend, spend" ethos of the 1980s, a survey released yesterday revealed. The report, conducted for American Express, showed that three-quarters of consumers would rather "do without" than take out a bank loan or an overdraft. The credit card company said the survey was evidence that today's consumers take "a realistic and measured approach to personal finances".

Deregulation wheel is spinning slowly for the casino industry

An elegant 1827 building at 50 St James' Street, London - until recently home to the Jamaican High Commission - is due to open next year as a casino.

London Clubs International, the capital's biggest casino operator, secured the building last year, partly in preparation for proposed casino deregulation.

The group, which this week dropped its £192m

(\$311m) hostile offer for Capital Corporation - owner of Crockfords and the Colony Club casinos - after the proposed takeover was referred to the Monopolies and Mergers Commission, intends to relocate the casino that it operates in the basement of the Ritz hotel when the lease expires.

The St James' Street building, which first opened as Crockfords casino, is almost three times bigger than the

It may be years before operators can bank the winnings from reform moves

Ritz operation, allowing space for casino slot machines once they are legalised - potentially one of the most profitable benefits of casino deregulation.

The industry has long lobbied against what it sees as archaic regulations enshrined in the 1968 Gaming Act. Many look with envy at their European and US counterparts where whole rooms are filled with slot machines and where there are fewer restrictions on casino gambling.

The government has promised change, spurred by its own success with the National Lottery. But the deregulation process has

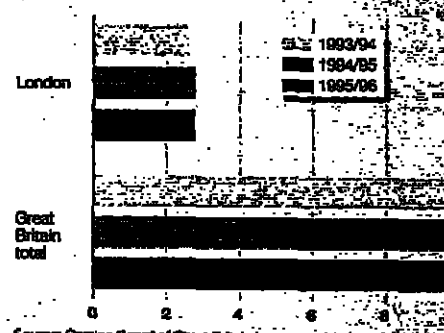
been slow. Almost two years after the first steps were taken towards easing the rules under which the £2.7m industry operates, the UK's 117 casinos have only just banked some regulatory "winnings".

Last week, the drinking hours in casinos in England and Wales were relaxed from midnight to 3am in London and 2am elsewhere, in line with the drinking hours that Scottish casinos have enjoyed for the past 20 years. The 48-hour rule, which prevents anyone from playing in a casino until two days after applying for membership, has been shortened to 24 hours. And next week, casinos will be allowed to accept debit cards in addition to cash and cheques.

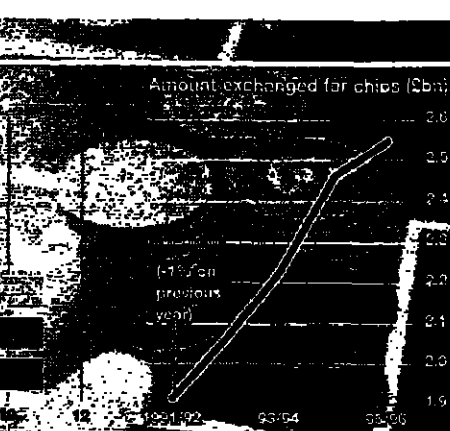
The British Casino Association, the industry's trade body, welcomed the reforms as "the first substantive changes in the law governing casinos for almost 30

When the chips are down

Casino attendance by region: number of visits



Source: Gaming Board of Great Britain



the money exchanged for chips. But tourists visiting London have no way of knowing where the casinos are.

Under the government's deregulation proposals, casinos would be allowed limited advertising so that they could list their name, address, telephone number and some information about

their facilities in regional newspapers, magazines and tourist brochures.

They would also be able to install casino slot machines with unlimited stakes and prizes instead of the current limit of six jackpot machines, with a maximum stake of 25p and prize of £250.

But the big question for the industry is when these

changes will be implemented.

The forthcoming general election has thrown the timetable up in the air. Labour has said that it supports casino deregulation but delays are inevitable whichever party is elected.

"We are in a state of limbo," said Mr Alex Pagitt, director of corporate affairs at Stakis, the provincial hotel and casino operator. "It could be two to three years before we see the full implementation of the changes. But in the meantime, there are opportunities to turn the business into just another leisure activity with the ultimate aim that people will say: 'Are we going to the pits tonight or the casino?'"

Scheherazade Daneshkhu

CONGRATULATIONS

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COMMODITIES AND AGRICULTURE

Copper
unmoved by
rule change

MARKETS REPORT

By Gary Mead

The move on Tuesday to carry out daily reporting of London Metal Exchange stocks — one of the recommendations made by the Securities and Investment Board (SIB) in its review of the LME and metals markets — caused few ripples in the market this week, according to analysts and traders.

Market sentiment was that the greater transparency introduced by producing a daily — as opposed to twice weekly — tally had little impact on prices.

The decline in copper stocks — which by yesterday were down 14,800 tonnes (to 159,575 tonnes in total) since the start of the week — appeared unable to stave off a gradual slide in price; yesterday's three-month copper on the LME fell beneath the \$2.280 mark, \$22 down from Thursday's closing price.

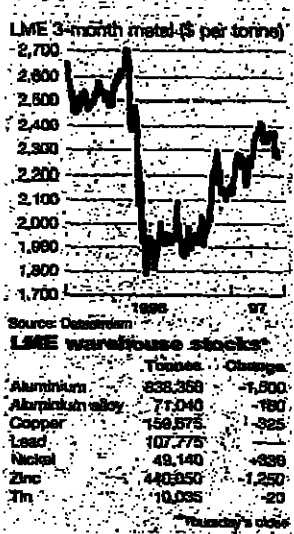
Other base metals on the LME followed a similar, gently downward trend: lead hit a low of \$224 before recovering to \$229 a tonne, \$10 down on the previous day; zinc lost \$8 on Thursday's closing price, to finish the week at \$1,236; and tin was down \$20 at \$5,670.

May futures for copper on the London International Financial Futures Exchange inched up \$11 to close at \$1,013 per tonne.

It was the end of a volatile week for copper, which fell to a low of \$279 on Monday, a slip of \$65 from the previous closing price.

Its relative recovery in

Copper



London through the rest of the week was seen by traders as fragile.

However, cocoa prices were firming rather more in the US in the latter part of the week; on Thursday the price for May delivery closed up \$31, at \$1,411 a tonne, and by midday yesterday that had improved to \$1,420.

Robusta coffee May futures in London moved up \$13 in early trading yesterday, to \$1,569, but later fell back to close at \$1,565.

Brent Blend oil futures on the International Petroleum Exchange were yesterday buoyed by news of a cold snap in the US and the political friction between Iran and Germany.

By late afternoon May Brent was up 19 cents a barrel to \$18.12, having reached a high of \$18.20 just before midday.

WEEKLY PRICE CHANGES

	Latest price	Change on week	1997	1996
Gold per troy oz.	\$348.05	+1.30	\$349.15	\$348.85
Silver per troy oz.	\$279.00	+0.10	\$279.10	\$279.00
Aluminium 99.7% (cash)	\$1,535.5	+7.5	\$1,543.0	\$1,535.5
Copper Grade A (cash)	\$2,222.0	-4.5	\$2,226.5	\$2,231.0
Lead (cash)	\$620	-5.0	\$625.0	\$630.0
Nickel (cash)	\$71.0	-2.5	\$73.5	\$76.0
Zinc SHG (cash)	\$1,237.0	-3.5	\$1,240.5	\$1,244.0
Tin (cash)	\$5,670.0	-20.0	\$5,690.0	\$5,710.0
Cocoa Futures May	\$1,411	+31	\$1,442	\$1,411
Coffee Futures May	\$1,569	+13	\$1,582	\$1,569
Sugar 11C Futures May	\$279.00	+0.10	\$279.10	\$279.00
Brent Futures May	\$18.12	+0.19	\$18.31	\$18.12
Wheat Futures May	\$2.29	+0.01	\$2.30	\$2.29
Cotton Futures May	\$0.60	+0.01	\$0.61	\$0.60
Wool (40s Super)	\$410	+9	\$419	\$410
Oil (Brent Blend)	\$18.12	+0.19	\$18.31	\$18.12

For future unless otherwise stated. P: Premium, C: Contango, S: Spread.

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

ALUMINIUM 99.7% PURITY (\$ per tonne)

	Cash	3 mths
Close	1535.5	1548.0
Previous	1535.5	1548.0
High/Low	1535.5-4.5	1548.0-8.5
AM Official	1548.0	1548.0
Kero close	1548.0	1548.0
Open int.	271,121	
Total daily turnover	88,261	

ALUMINIUM ALLOY (\$ per tonne)

	Cash	3 mths
Close	1425.35	1455.65
Previous	1425.35	1455.65
High/Low	1425.35-4.5	1455.65-8.5
AM Official	1440.32	1440.32
Kero close	1440.32	1440.32
Open int.	6,009	
Total daily turnover	2,584	

LEAD (\$ per tonne)

	Cash	3 mths
Close	619.21	629.30
Previous	619.21	629.30
High/Low	619.21-2.5	629.30-7.5
AM Official	622.23	622.23
Kero close	622.23	622.23
Open int.	36,882	
Total daily turnover	15,471	

NICKEL (\$ per tonne)

	Cash	3 mths
Close	7145.50	7250.00
Previous	7145.50	7250.00
High/Low	7145.50-20.0	7250.00-30.0
AM Official	7140.40	7240.00
Kero close	7140.40	7240.00
Open int.	52,092	
Total daily turnover	16,028	

TIN (\$ per tonne)

	Cash	3 mths
Close	5685.95	5625.30
Previous	5685.95	5625.30
High/Low	5685.95-10.0	5625.30-15.0
AM Official	5615.25	5655.80
Kero close	5615.25	5655.80
Open int.	16,887	
Total daily turnover	4,855	

ZINC (\$ per tonne)

	Cash	3 mths
Close	1206.5-7.5	1222.5-30.0
Previous	1206.5-7.5	1222.5-30.0
High/Low	1206.5-7.5-12.5	1222.5-30.0-35.0
AM Official	1214.15	1229.40
Kero close	1214.15	1229.40
Open int.	81,854	
Total daily turnover	34,550	

COPPER, GRADE A (\$ per tonne)

	Cash	3 mths
Close	2221.23	2227.78
Previous	2221.23	2227.78
High/Low	2221.23-2.5	2227.78-7.5
AM Official	2234.35	2234.35
Kero close	2234.35	2234.35
Open int.	135,507	
Total daily turnover	29,357	

LME CRUDE OIL 2% RATE

	Cash	3 mths
Close	18.12	18.12
Previous	18.12	18.12
High/Low	18.12-0.19	18.12-0.19
AM Official	18.12	18.12
Kero close	18.12	18.12
Open int.	16,887	
Total daily turnover	4,855	

HIGH GRADE COPPER (COMEX)

	Cash	3 mths
Close	107.85	107.85
Previous	107.85	107.85
High/Low	107.85-0.10	107.85-0.10
AM Official	107.85	107.85
Kero close	107.85	107.85
Open int.	107.85	107.85
Total daily turnover	107.85	107.85

PRECIOUS METALS

LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

GOLD (Troy oz) \$ price

	Cash	3 mths
Close	348.05	349.15
Previous	348.05	349.15
High/Low	348.05-1.30	349.15-1.30
AM Official	348.05	349.15
Kero close	348.05	349.15
Open int.	348.05	349.15
Total daily turnover	348.05	349.15

SILVER (Troy oz) \$ price

	Cash	3 mths
Close	279.00	279.10
Previous	279.00	279.10
High/Low	279.00-0.10	279.10-0.10
AM Official	279.00	279.10
Kero close	279.00	279.10
Open int.	279.00	279.10
Total daily turnover	279.00	279.10

PLATINUM (Troy oz) \$ price

	Cash	3 mths
Close	934.00	934.00
Previous	934.00	934.00
High/Low	934.00-0.10	934.00-0.10
AM Official	934.00	934.00
Kero close	934.00	934.00
Open int.	934.00	934.00
Total daily turnover	934.00	934.00

PALLADIUM (Troy oz) \$ price

	Cash	3 mths
Close	1,455.65	1,455.65
Previous	1,455.65	1,455.65
High/Low	1,455.65-10.0	1,455.65-15.0
AM Official	1,440.32	1,440.32
Kero close	1,440.32	1,440.32
Open int.	1,440.32	1,440.32
Total daily turnover	1,440.32	1,440.32

RUDE CRUDE OIL (\$ per barrel)

	Cash	3 mths
Close	18.12	18.12
Previous	18.12	18.12
High/Low	18.12-0.19	18.12-0.19
AM Official	18.12	18.12
Kero close	18.12	18.12
Open int.	18.12	18.12
Total daily turnover	18.12	18.12

HEATING OIL (\$ per barrel)

	Cash	3 mths
Close	18.12	18.12
Previous	18.12	18.12
High/Low	18.12-0.19	18.12-0.19
AM Official	18.12	18.12
Kero close	18.12	18.12
Open int.	18.12	18.12
Total daily turnover	18.12	18.12

GAS OIL (\$ per barrel)

	Cash	3 mths
Close	18.12	18.12
Previous	18.12	18.12
High/Low	18.12-0.19	18.12-0.19
AM Official	18.12	18.12
Kero close	18.12	18.12
Open int.	18.12	18.12
Total daily turnover	18.12	18.12

NATURAL GAS (\$ per 100 cu ft)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
Total daily turnover	1.15	1.15

UNLEADED GASOLINE (\$ per gallon)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
Total daily turnover	1.15	1.15

GAS OIL (\$ per barrel)

	Cash	3 mths
Close	18.12	18.12
Previous	18.12	18.12
High/Low	18.12-0.19	18.12-0.19
AM Official	18.12	18.12
Kero close	18.12	18.12
Open int.	18.12	18.12
Total daily turnover	18.12	18.12

NATURAL GAS (\$ per 100 cu ft)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
Total daily turnover	1.15	1.15

UNLEADED GASOLINE (\$ per gallon)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
Total daily turnover	1.15	1.15

GAS OIL (\$ per barrel)

	Cash	3 mths
Close	18.12	18.12
Previous	18.12	18.12
High/Low	18.12-0.19	18.12-0.19
AM Official	18.12	18.12
Kero close	18.12	18.12
Open int.	18.12	18.12
Total daily turnover	18.12	18.12

NATURAL GAS (\$ per 100 cu ft)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
Total daily turnover	1.15	1.15

UNLEADED GASOLINE (\$ per gallon)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
Total daily turnover	1.15	1.15

GAS OIL (\$ per barrel)

	Cash	3 mths
Close	18.12	18.12
Previous	18.12	18.12
High/Low	18.12-0.19	18.12-0.19
AM Official	18.12	18.12
Kero close	18.12	18.12
Open int.	18.12	18.12
Total daily turnover	18.12	18.12

NATURAL GAS (\$ per 100 cu ft)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
Total daily turnover	1.15	1.15

UNLEADED GASOLINE (\$ per gallon)

	Cash	3 mths
Close	1.15	1.15
Previous	1.15	1.15
High/Low	1.15-0.01	1.15-0.01
AM Official	1.15	1.15
Kero close	1.15	1.15
Open int.	1.15	1.15
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GAS OIL (\$ per barrel)

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Close	18.12	18.12
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Open int.	18.12	18.12
Total daily turnover	18.12	18.12

NATURAL GAS (\$ per 100 cu ft)

COMMENT & ANALYSIS

FINANCIAL TIMES

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Saturday April 12 1997

Home grown inflation

If Mr and Mrs Tony Blair, two lawyers, living in Islington, feel the time is right for a move this spring, they could be pleasantly surprised by the suggested asking price for their property.

A recent survey showed that house prices in the N1 district of London rose by almost 50 per cent last year, leading a revival which is causing some people to worry about a return to the frenzied market of the late 1980s. Mortgage lenders are hiring more people and already shortages of building labour and materials are forecast.

Mr Blair, the Labour leader who hopes to move to a large terrace house in Downing Street on May 1, has even promised to introduce a law against "gazumping", if he gets the new job. This thrived between 1985 and 1989, when average house prices doubled and greedy sellers broke agreements with buyers to get a higher price.

This time round, gazumping so far seems rare. But in other respects there is strong evidence of recovery, and in the more gentrified areas of London and the home counties, a heady aroma of profits.

The latest Halifax survey shows that average UK house price inflation is now running at a little over 7 per cent a year. This figure conceals wide disparities, however. In the Greater London area last year, prices rose by more than 17 per cent, an increase which includes much larger gains for desirable residences which appeal to those in receipt of big City bonuses or a recent entry permit to the UK from Hong Kong.

Certainly, some big profits have been made, and there will be more to come. But it may be too early to worry about a return to the financial instability, which an over-excited property market helped to create in 1989-93.

Exuberance

One reason is that the recent exuberance is still fairly localised. House prices outside London and the South have been growing at a much more sedate pace, and even fell slightly in the north during the first quarter of this year.

Moreover, even after the recent recovery, which started slowly three years ago, prices have not climbed back to the peak which they reached before the inflationary crisis of 1989-90. Indeed, after inflation, the average house, now selling for £70,000, is 36 per cent cheaper in

real terms than it was in the summer of 1989.

In real terms, houses cost only about the same as in 1978, at the peak of the first great inflationary wave of the post-war era. Even so, they cost some 70 per cent more than they did after a long stable period at the end of the 1960s.

The rise in recent decades partly follows a general increase in real incomes. But it also reflects higher demand, partly caused by the break-up of households into smaller units. The 40 per cent increase in the number of households between 1981 and 1995, for example, included a sharp increase in the number of people living alone and a decline in large families.

Deregulation

During the 1980s, financial deregulation ended the mortgage queues which had restricted the ability of many such single people, particularly those on lower wages, to buy their own houses.

These effects are less strong in the 1990s. And although mortgages are more freely available, tax relief on interest payments is now so much reduced as to be of little value at the upper end of the market. Moreover, the present generation of first-time buyers is confronted with the possibility that house prices which go soaring up could go sharply down.

Most of these homeowners who found that debts were higher than the value of the property after 1990 will have escaped from the negative equity trap by the end of this year. But gloomy lessons have been learned, at least for the time being.

So although houses are still inexpensive relative to incomes by historic standards, houses are not the one way bet which they might have seemed a decade ago, especially if inflation remains low and real interest rates stay positive.

The authorities certainly need to take early action to avert the inflationary dangers by raising interest rates, or preferably by increasing taxes. Yet for the present, high prices for scarce properties are probably more the result of pent-up demand from the richest 10 per cent, whose after-tax income rose twice as fast as that of the average during the 18 years of Tory rule.

But that, Mr Blair will have noted, is not so much inflation as the magic of the market.

An appreciation of currencies

John Plender looks at the reasons behind the strength of the dollar and pound and asks how long the trend will last

Most forecasters at the start of the year managed to judge the direction of the US dollar correctly. But few expected the rise against the yen and the D-Mark to be so rapid.

Over the past week, the dollar has been hitting new highs - as has sterling. Since the appreciation of the US currency has been an important factor in what Mr Alan Greenspan, the Federal Reserve chairman, has called "irrational exuberance" on Wall Street over the past two years, it is important for investors to understand what has been driving it.

In terms of its underlying purchasing power, the dollar is no great story at today's levels. All that has happened is that the spectacular downward overshoot that left the US currency looking absurdly cheap in the spring of 1995 has been corrected.

The undervaluation at that time against the yen was largely a reflection of excessively tight monetary policy in Japan after the pricking of the Japanese bubble at the start of the decade. High real interest rates were an important factor in discouraging capital outflows. The Bank of Japan had been slow to recognise the damage wrought on the banking system and the economy by the collapse of asset prices.

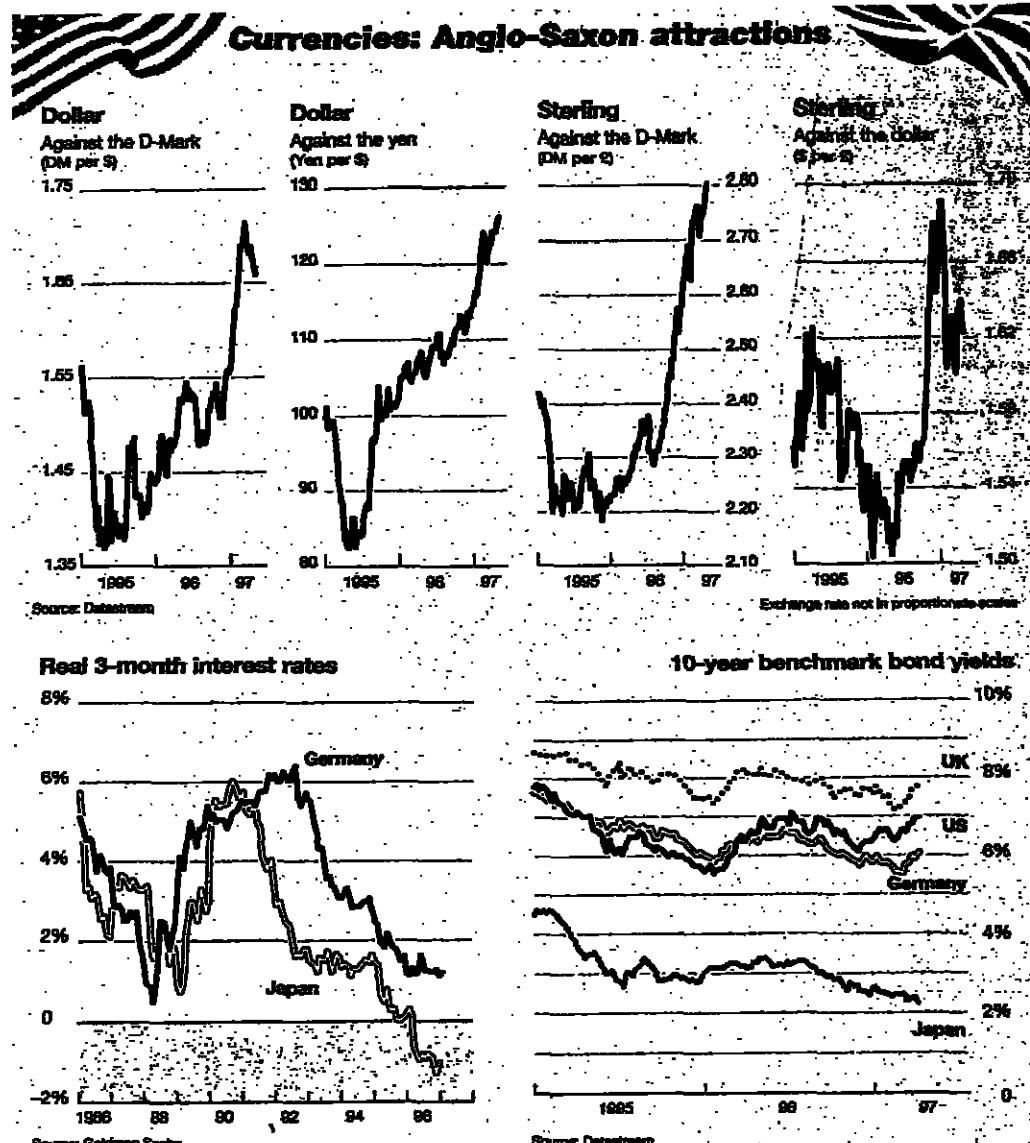
In 1995 it woke up. The Japanese have since had the lowest interest rates in the world. This prompted a weaker yen, which now holds out the best hope of continuing economic recovery in Japan as fiscal policy is being significantly tightened.

The story in the dollar/D-Mark relationship was not dissimilar. After the unification boom, and with European monetary union looming, the Bundesbank was slow to loosen policy. Interest rate differentials were thus all in favour of a strong D-Mark until the Bundesbank saw the light two years ago, precipitating a devaluation of the currency.

When currencies depart from fundamental values for protracted periods, analysts seek to rationalise the overshoot. In 1995 it became fashionable to attribute dollar weakness to the diversification of official reserves away from the dollar.

In fact, the dollar's subsequent recovery can partly be explained by precisely the opposite phenomenon. Foreign flows of official capital into the US rose from \$39bn in 1994 to \$123bn in 1996, with the majority of the money going into Treasury bonds. If private portfolio flows are included, the total amount of foreign capital flowing into the US bond market over the same period rose from \$129bn to a phenomenal \$356bn. This was more than three times the size of the US current account deficit.

For Asian central banks that have accumulated large dollar



reserves as a by-product of their attempt to keep their currencies competitive, uncertainty over the future of the EMU matters. Mr Joseph Yam, head of the Hong Kong Monetary Authority, has cited this as a potential source of weakness in European currencies against the dollar.

For private capital, especially from Japan, the appeal of the dollar lies in the substantial yield advantage. The temptation to leave money in a country like Japan, with short-term interest rates of around 1/2 per cent and long bond rates of less than 2 1/2 per cent, is minimal unless the investor expects the yield advantage to be wiped out by currency depreciation.

Sterling, too, has been a beneficiary of large inflows since last year as Japanese investors have looked to enhance their income through purchases of gilts. For the UK, this represents a partial change of US status within Europe.

After sterling's ejection from the exchange rate mechanism in September 1992, the British currency tended to move in line with its fellow drop-out, the lira,

against the D-Mark. But since the lira returned to the ERM last year and the Italian government made the Maastricht budget deficit target the centrepiece of its economic policy, sterling has resumed a more mid-Atlantic orientation.

This has been a pre-electoral boom to Mr Kenneth Clarke, the UK chancellor of the exchequer. Sterling appreciation offsets inflationary pressure in the economy, thus lending strength to Mr Clarke's arm in resisting the Bank of England's advice in favour of higher interest rates. But there is a price to pay.

For the Germans and Japanese, currency weakness against the dollar and sterling has boosted manufacturing and provided an export-led route towards recovery. Britain, in contrast, is showing signs of pre-electoral excess. The consumer sector threatens to overheat while manufacturers are wiling under the pressure of sterling appreciation.

How long before the pattern of dollar and sterling appreciation is broken? Predicting the precise timing of a turn in the currency markets is impossible. But since

currencies are, among other things, an adjustment mechanism, their movements tend ultimately to be self-correcting.

The rise in the dollar, for example, ensures that a strong US transmits demand to economies where output is running below potential. When growth in the weaker economies picks up as a result, interest rate expectations change and their currencies change course.

Mainstream forecasters are thus looking for a cyclical reversal in the fortunes of the D-Mark by the end of this year. The continuing weakness of the Japanese banking system might suggest that a rise in yen interest rates is further off. But the arguments are complicated by the renewed strength of Japan's external account.

Mr Robert Rubin, the US treasury secretary, this week explicitly attributed Japan's rising bilateral trade surplus with the US to the weakness of the yen. But he emphasised that he sees strong growth in Japanese domestic demand as the appropriate remedy. Since the government of Mr

Ryutaro Hashimoto is dedicated to deflationary cuts in the budget deficit, Japan will probably seek instead to head off trade friction by intervening in the markets to halt or reverse yen depreciation. For sterling, continuing appreciation looks likely on present policy, until recovery in the continental European economies becomes stronger. But if Labour is elected, policy may change.

There would be a strong temptation for Mr Gordon Brown, Labour's chancellor-in-waiting, to expand the promised summer budget to incorporate a much broader rebalancing of monetary and fiscal policy. A greater-than-expected increase in corporate taxes, for example, would mean a lesser requirement to raise interest rates. This would reduce the attractions of sterling to investors and ultimately take pressure off manufacturers.

The political risks in such a tax-raising policy are high. But so are the rewards, if the pain of putting the public finances in order is dispatched early in the electoral cycle.

There are, of course, wild cards. One is the possibility that Emu might be delayed, in which case a D-Mark that no longer faced early censure against sterling and the dollar. A collapse on Wall Street would probably cause dollar weakness for fear that the Fed might be obliged to pursue a more accommodating monetary policy.

Worst of all, turbulence in Japanese financial markets could cause the dollar to collapse if the present capital outflows were reversed. The impact would be leveraged because so many US hedge funds have been borrowing at negligible cost in yen to invest in higher-yielding US paper.

Longer-run predictions are easier. The rapid ageing of the Japanese population will reduce savings and push the trade balance back into deficit. This huge structural change means we are most unlikely to see the dollar at ¥80 again, especially if Japan resorts to inflation to resolve its deteriorating fiscal position.

But forecasts should be treated with caution. As Mr Brendan Brown of Tokyo-Mitsubishi International spells out in a book packed with insights, the occupational hazard of market economists is to attribute excessive rationality to market pricing - just what happened in spring 1995.

The only safe forecast on currencies is that what goes up eventually comes down. The better economists show why and how. Only occasionally do they correctly predict when.

"Economists and the Financial Markets, Brendan Brown, Routledge, £12.95.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Argentine democracy not in doubt

From Mr Rogelio Pfrter.

Sir, In his letter of April 8, John Torode, a political correspondent, seems to cast a shadow of doubt on the future stability of Argentina's democracy. I do not agree with his scepticism.

Yes, like other countries, including western nations, Argentina has made some serious mistakes in the past and, yes, it has suffered the misfortunes of prolonged political instability. Yet, at the same time, like many of those same countries it has learnt from its errors and is keen not to repeat them.

As a matter of fact, a genuine and strong democracy is today in

place in Argentina and the whole of the country is united in its will to ensure that such a system remains. Argentines are fully aware of the significant improvement in their condition brought about by democracy and by the opening of the economy, and are committed in an unqualified fashion to the maintenance of their present lifestyle. This is there for everyone to see.

Mr Torode's pessimistic predictions are not only inconsistent with present reality but affect my country's image in Britain and could discourage greater support in British public opinion for closer co-operation

with Argentina. This would hardly be in anyone's interest. It would run contrary to the traditional feelings of friendship and the affinities between both countries and to the substantial progress in bilateral economic and political relations in recent years.

Above all, it would not be in harmony with the long-term interests of those of us who live in the South Atlantic, be it on the mainland or on the islands.

Rogelio Pfrter, Argentine ambassador, Argentine Embassy, 65 Brook Street, London W1Y 1YE, UK

Serious Israeli offer should be picked up

From Ms Helen Davis.

Sir, Roula Khalaf's lament about the state of middle-class Arab opinion and her own tone of despair about Middle East peace-making are misplaced and, perhaps, just a touch self-indulgent ("A bitter taste of the peace process", April 5/6).

The reality is that middle-class Arab voices - the professional syndicates, trade unions, federations and associations of Egypt, Jordan and the Palestinians - have always led opposition to any political settlement with Israel (after Jordan signed a peace treaty with Israel the Dentists' Association forbade its members from treating Israelis).

If Roula Khalaf had read Jihad Khazen's *al-Hayat* regularly she would not have been so dismayed by his bitterness to the Israeli prime minister. Khazen, an oppo-

nent of Israeli-Palestinian rapprochement since the Oslo accord was signed in September 1993, consistently depicts it as a capitulation to the American/Jewish/Zionist consortium.

What is extraordinary is not how awful things are but how much progress has been made. Israel has withdrawn not only from Gaza and Jericho but also, notwithstanding dire warnings from the Arab world (including Khazen), from all of the Palestinian cities on the West Bank. Fully armed Palestinian security forces have been set up, Palestinian elections have been held, and a Palestinian authority has been established that now controls the destiny of 97 per cent of Palestinians in the West Bank and Gaza.

Mr Benjamin Netanyahu, Israel's prime minister, has withdrawn from 80 per cent of

Hebron, proposed a further 10 per cent withdrawal from the West Bank (as a starter) and offered to embark on accelerated, tele-scoped final-status talks leading to a permanent settlement with the Palestinians by the end of this year, rather than the scheduled date of May 1999. Not so demonic, after all.

Rather than indulging her friends, Roula Khalaf should encourage them that a serious offer is on the table and that the Palestinian leaders should pick it up, even if that means spoiling the script they have been following for the past 50 years.

Helen Davis, director, British Israel Public Affairs Centre, 30 Gordon Street, London WC1H 0AN, UK

Leadership must follow new style

From Mr Maurice J. Olivier.

Sir, The FT summary of the Eurostudy report ("Europe urged to copy US business approach", April 7) draws attention to the absence of leadership among many of Europe's business organisations.

Our experience at Arthur D. Little, from running a series of colloquia with chief executives of leading European businesses, is that CEOs are recognising the vital importance of effective leadership if European companies are to compete successfully in world markets.

On one point, there is virtual unanimity: the style of leadership that is needed today has changed. A leader's job must be to inspire rather than impose - to move from "the person who changed the company" to "the person who enabled the company to change".

Leaders need to cultivate and develop "champions of change" - a far more effective route to successful transformation of an organisation than wasting time endlessly trying to convert the determined opponents of change.

Governments as well as industry must heed this lesson.

Maurice J. Olivier, senior vice-president and managing director, management consulting, Europe, Arthur D. Little International, Inc., Woluweaan 2, B-1150 Brussels, Belgium

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FINANCIAL TIMES
Financial Publishing

The director of the Royal National Theatre reviews the acts of the players in the UK election campaign

Strut and fret upon the hustings

I saw a film recently of Churchill encountering a television camera. He was being introduced, with great reluctance on his part, to the notion of the party political broadcast. He eyed up the camera with the distaste of a dog inspecting a new variety of dog food, and spoke with the painful self-consciousness of a man who has been given the instruction: "Just be yourself." He had become an actor, giving an unconvincing performance of "Winston Churchill".

Since then all politics has declined to the condition of show business, and all politicians have been obliged to become performers. They choose their costumes carefully, their decor fastidiously; they discuss their roles with their directors, their fellow actors and their agents; they study their scripts, they rehearse, they put on make-up, and they give performances: they adapt their acting styles from the world-be intimacy of the small screen to the not-to-be avoided histrionics of the public platform; and sometimes, often disastrously, they improvise.

Actors require us willingly to suspend our disbelief, to accept that what we know to be fiction is, at least temporarily, reality. Politicians expect something rather similar but more enduring, and we, the voters, are expected to give our consent. But we are at best reluctant and at worst intransigent about closing the circle of the illusion: the gap between content and performance is risibly clear, and we know all too well that, however little reality their public pronouncements possess, politicians are not participating in a dramatic fiction.

All of us, consciously or not, are actors: we simulate feelings we don't feel, we lie, we pretend to be what we aren't, and this latent though well-rehearsed skill lures us all - politicians especially - to believe that, if every-



one does an actor's job in life, then anyone can apply it to their own profession. But it is exasperatingly difficult for an actor to find what the philosopher and dramatist Diderot describes as the "true point":

An actor who has only sense and judgment is cold; one who has only nerve and sensibility is crazy. It is a peculiar combination of good sense and warmth which creates the sublime person; and on the stage as in life he who shows more than he feels makes one laugh instead of affecting one. Therefore never try to go beyond the feeling that you have; try to find the true point.

It is difficult to achieve the "true point" in life, which is probably why we give such extravagant praise to those who achieve it in art. To act properly, in life as in art, implies a moral dimension that makes us want actors (and politicians) to be exemplary beings. Is it any wonder that when politicians perform they seem, as Hamlet said of bad actors, as if "some of nature's journeymen had made men, and not made them well, they imitated humanity so abominably?"

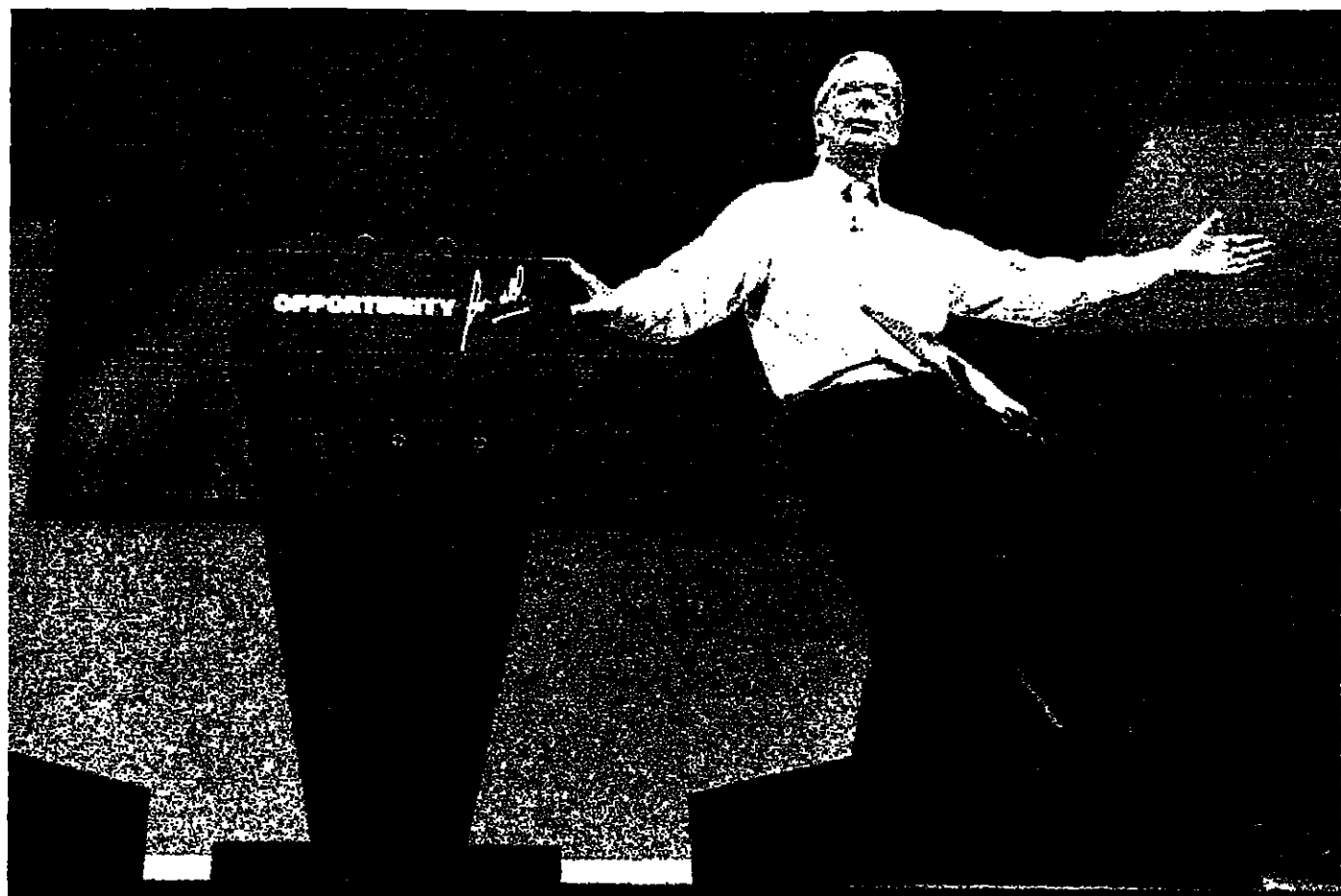
There is precious little of the Shakespearean about this election, even if the spirit of Polonius presides over the campaign: you might find an echo in Peter Mandelson, a Malvolio in Brian

Mawhinney, a Cassius in Michael Heseltine, a Claudius in Baroness Thatcher, an Enobarbus in John Prescott, a Lear in Sir Edward Heath and a Jacques in Tony Benn. Lord Tebbit might make a good Fool and you could find plenty of clowns in all parties, but, unless you include Roy Hattersley, who has the stomach for the role of Touchstone, if not the wit, they belong more to the circus than to Shakespeare.

You might wish more of the Mercutio than the Orlando from Tony Blair, and from John Major, whose taste for Cantos-esque metaphors defy parody, you might wish a little of the Berowne. You would wish in vain: the manifestos, like the New English Bible, have been filled with figurative language, and if you were looking for an event with which to compare this spectacle of the bland leading the bland, you would not find your model in Shakespeare or Shaw, but in a convention for management consultants or the Eurovision Song Contest.

So how are the contestants doing? When John Major stepped up on his "soapbox" at the start of the campaign - an object as far removed from its original function as a freemason is from a stonecutter - he looked as if he pined for the return of Spitting Image, so keen was he to mimic his model: one puppeteer appeared to operate his arms, while his hands flapped helplessly at their extremity and his voice appeared, in an ill-disguised piece of ventriloquism, to emerge from his ears.

When the prime minister is speaking impromptu before a small group he seems intelligent, authoritative, even, yes, witty: in a word, plausible. But put this manifestly mild-mannered man before a large audience and a television camera, and he booms from a lectern which helpfully tells us what he's doing - **BRITAIN IS BOOMING** - and with a rising inflection borrowed



Stage show: John Major uses a rising inflection borrowed from Olivier's Henry V but performs with the flair of Roger Moore

from Olivier's Henry V but performed with all the flair of Roger Moore, he berates his opponent with the milky rhetoric of a primary school headmaster: "This is incompetence pure and simple!" he booms. Indeed.

Tony Blair grips the side of his lectern at press conferences with a white-knuckled intensity, like a shipwreck survivor gripping the gunwales of a lifeboat. The Tories say he's suffering from stage fright: this is wishful thinking.

That he's frightened is clear, but as a performer it's a strength - he's aware of the endemic danger and folly of playing a leading role on the political stage. (Incidentally, in France they make a direct connection between politics and the theatre: they speak not of the "corridors" of power but of the "wings"). "I can see how, if you're not careful," said Tony Blair a week or so ago, "whatever public persona you have starts taking over your private being."

It may be that Tony Blair's true person is what you see, and

what you see is what you'll get if he becomes prime minister. It may be he has achieved a state of grace rare among politicians, that he has reached the "true point" where honesty and expediency are held in balance. He appears not to dissemble; it is possible, therefore, that he may be rejected by the voters - audiences have a way of preferring Edmund and Iago to Edgar and Othello. If politics is a dirty game, what price the politician who is honest, decent and true?

"Honest" Paddy Ashdown's epiphany was celebrated with several thousand balloons of dubious hue at the Liberal Democrat rally. He began his speech with a pale invocation of the ghost of Neil Kinnock, chiding Tony Blair like Hamlet chastising Gertrude, and then, like a poor actor striving to stir his audience, indicated his concern for the future of the country with a whirlwind of flailing arms and earnest adjectives, combining simultaneously the "best" and "worst" of Yeats's poem - lacking all conviction and full of passionate intensity.

It is a thankless task being a leader of a party whose only advantage is moral superiority, even if the party does contain a higher proportion of conspicuously excellent MPs than the two main parties. There are precious few opportunities to assert his authority, but I eagerly anticipate each year the moment at the Cenotaph when Captain Ashdown (ret'd) reminds his civilian colleagues, like a dance instructor demonstrating the correct posture for an old-fashioned waltz, how a leader should stand to attention and place a wreath, thus proving Diderot's thesis: "He who shows more than he feels makes one laugh instead of affecting one."

The mad Lear says to the blind Gloucester: "Like a scurvy politician, seem/To see the things thou dost not." I wish we didn't so readily agree with him, and I wish too that we didn't (with much encouragement from MPs themselves, it has to be said) invariably slip into the cynical assumption that all politicians are on the make, endemically dishonest, riddled with narcissism,

self-regard, shallowness and vanity. Much of the same is said about my profession, but, unlike most politicians, we don't set out on our careers with the intention of making the world a better place, nor do we make claims of moral probity; we have, therefore, less capacity for the corruption of our souls. Coming from a world mired in make-believe, I am familiar with the problem that faces the actor after the performance is over. It's the same that the politician faces after the election: to know how to be oneself. If the whole world is to be show business, when does the mask come off?

In one respect politicians are different from us: they have to be more thick-skinned. I'm glad for his sake that John Major wasn't sitting in the Gloucestershire pub that I was in last week. Across the bar I heard a woman with the sort of upper-class voice that carries across three counties, marinated in generations of Tory self-confidence: "I'm just going to write 'bum bum bum' on my ballot paper, and I don't care who knows it." She wasn't acting.

Man in the News • Romano Prodi

Sturdy leader in a shaken tree

Italy's prime minister has survived, but only just, says Robert Graham

This was the week Romano Prodi almost lost his irrepressible good humour - and with it his job as Italy's prime minister.

He and his centre-left government have survived a traumatic parliamentary debate over sending troops to Albania and subsequent votes of confidence; but Mr Prodi has been left with little to joke about. The divisions among the parties backing the government have been cruelly exposed and his own position has been seriously weakened.

That he has pulled through at all is a tribute to the remarkable obstinacy and resilience of this 56-year-old economics professor from Bologna.

"Romano is like a wall of rubber: he has an awesome capacity to absorb the most punishing of blows," observes a friend who has helped launch him on his political career two years ago. "Although he likes to appear the amiable professor, he is much tougher than he looks."

Punishment there has been aplenty. Mr Prodi and his ministers made it a question of national pride that Italy should lead a multinational force backing the distribution of humanitarian aid in Albania.

"The Albanian question must not be used as an occasion to exploit political difficulties," Mr Prodi told parliament, warning that failure to agree would be a "disgrace in front of the international community".

Unfortunately, a key component of his parliamentary support - the hardliners in Reconstructed Communism - refused to endorse the policy. Not only did Mr Prodi this week have to turn to the opposition to prevent the initiative from collapsing, but he was obliged by the opposition to call on the head of state, in the complex language of Italian politics, this was one step short of offering to resign.

To complete the humiliation, he has been obliged to seek a vote of confidence to remain in office. And to win this, he has had to seek the votes of Mr Fausto Bertinotti, the RC leader. Less than 24 hours earlier, Mr

Bertinotti nearly brought down the government by voting against Italy's military role in Albania.

"If you think you've come to my funeral, you're mistaken," Mr Prodi remarked to journalists at one stage this week when his prospects looked bleak.

His tone was just as combative when he addressed the senate on Thursday: "This is the sole government that can take Italy into Europe - not because I'm running it but because a crisis at this historic juncture would ruin the country."

"Saying this is not a boast, merely the statement of someone who is aware of the [dangers] of the situation... If anyone thinks they can do better, then let them step forward."

Such confidence is not mere bluff. Mr Prodi has tremendous self-assurance. This is reinforced both by his rock-solid roots in Emilia Romagna, with its long civic traditions, and by a big family imbued with a strong Catholic faith.

He is one of nine children, most of whom have ended up in academia. His wife, Flavia, is also an academic. Unusually for an Italian prime minister, Mr Prodi has insisted on bringing his wife from their Bologna home to a flat in the Palazzo Chigi. Friends say she has been a great support since he entered politics.

Mr Prodi came late to parliamentary politics. But he was no neophyte when he agreed to head the centre-left Olive Tree coalition as an independent figure - uniting former Communists, Socialists and Christian Democrats.

Running IRI, the giant state holding company, twice for a total of nearly nine years, and especially his stint from 1982-89, exposed him to the machinations of the Christian Democrat-dominated political establishment. He describes this period as "my Vietnam" - having to fight off the predatory demands of a corrupt political class.

Since he assumed the leadership last May of Italy's first post-war government controlled by the left, his amiable professorial image has gone down well with the public. But he is an

uncomfortable public performer and he is at his best away from the spotlight. His natural inclination is to settle disputes, without confrontation, round a table. "I'm someone who never seeks to provoke a row," he said this week.

For this approach, he is often seen as being in the classic tradition of Italian Christian Democrat politics, navigating by sight with a compromise forever up his sleeve. This week's events have certainly laid bare his limitations as a leader and as a politician.

"The big political mistake

made by the prime minister," observes Mr Sergio Romano, a leading commentator, "has been in not understanding and foreseeing that the Albanian crisis would expose the limits and anomalies of his parliamentary majority".

According to Mr Romano, he overestimated his ability to steer between conflicting pressures. These came from Mr Bertinotti and Mr Massimo D'Alema, the leader of the party of the Democratic Left, the dominant partner in the government.

The crisis has served cruelly to expose two uncon-

fortable realities, which are likely to lead to Mr Prodi's eventual demise. First, he has no political base of his own. Attempts during the past 11 months to forge the Olive Tree coalition into a party have failed. They have foundered on the objections of Mr D'Alema who wants to retain the hegemony of the Democratic Left.

More importantly Mr D'Alema, as chief shareholder in the coalition, exercises a right of veto over government policy and often deals directly on big policy issues with Mr Silvio Berlusconi, the leader of the rightwing opposition. There was an embarrassing incident earlier this year when Mr D'Alema eclipsed the prime minister by visiting German Chancellor Helmut Kohl the day before Mr Prodi was to be received in Bonn.

Second, the government's majority has been largely fictitious. Mr Bertinotti and fellow nostalgic Marxists provide 35 essential votes in the chamber of deputies for the majority. But they have never endorsed the government programme and have gradually increased their leverage by threatening to withhold their support on vital issues such as privatisation and pension reform.

By allowing Reconstructed Communism to come back into the fold after voting against the government Mr Prodi has merely underlined the fragility of this parliamentary majority.

"Prodi bears a lot of blame for Bertinotti's power of blackmail," says a member of the Democratic Left. "He has allied with Bertinotti to offset our dominance of the coalition and reduce the scope for D'Alema to tell him what to do from outside."

Mr Prodi will enjoy a breathing space until the end of June while a special parliamentary commission draws up proposals for constitutional reform. During this time he has to convince Reconstructed Communism to accept that the 1998 budget contains cuts in welfare and further reform of pensions. If not, he will probably be forced to step down.



Japan's professional football league, or J.League, kicks off for the 1997 championship tomorrow with much more at stake than the title.

The J.League was launched in a blaze of marketing hype in 1993. For the first two seasons stadiums were packed with flag-waving fans in uniforms and matching face paint. On television, soccer seemed set to oust the national sport of baseball from the top of the ratings.

But last year some stadiums looked rather sparsely filled, and television viewers were also switching off. The average crowd per match dropped 21 per cent, and J.League revenue was down 19.5 per cent. League officials have admitted that the soccer boom is over.

"Of course the fashion has gone, we realise that," says Takahiko Sano, the league's spokesman. "They now have new tactics in mind. Our real aim is to promote a sports culture in Japan - we want our J.League teams to be hometown clubs." The league hopes to attract dedicated fans rather than trend followers by encouraging clubs to put down roots in the community.

The need to attract fans is made keener by the approach of the 2002 World Cup, of which Japan is the co-host with South Korea. After a vicious bidding competition between the former enemies, world football governing body Fifa decided they should split the event between them. But football is better established in South Korea than Japan, and it could be embarrassing for Japan to be poorly attended while Korean stadiums are packed.

"Our main target is the younger generation - teenagers, 20s and early 30s," says Sano. Older sports fans are die-hard baseball or golf fans but younger people have often played soccer at school.

The J.League's first weapon is a ¥300m (\$2.4m) television advertising campaign. The 15-second slots, screened this week, show J.League stars in action on top of a 200m-high building, more will follow this year.

One reason for falling attendances is the league's expansion. Four teams have joined since 1995, and Vissel Kobe will bring the total to 17 this year. Newcomers have lower average attendances than longer-established clubs, some of which are still gaining popularity - the Urawa Red Dia-

Hopes for a draw

Bethan Hutton on efforts to rekindle the appeal of soccer in Japan



Heart-throb: Maezono

moods drew an average 24,329 fans to each match last year, better than any other club, and more than in previous years.

The Reds finished last season in only sixth place, but have managed to inspire great loyalty by promoting club membership and giving preferential treatment to local supporters. Other clubs are trying to emulate their success.

Discounts for advance ticket purchases, family passes and occasional free tickets for school groups are becoming standard fare. In what could be seen as desperation, meanwhile, Yokohama Flügels are enticing back supporters by giving away Tamagotchi toys, the "virtual chicken" keyring games that have taken Japan by storm.

Yokohama have just lost their star player, the young heart-throb Masakiyo Maezono, to another club. However, the club is sponsored by Bandal, the maker of Tamagotchi, so ticketholders at the first few games of the season are being entered in a Tamagotchi lottery as an alternative attraction.

Tamagotchis are particularly popular with teenage girls, who used to be one of

J.League's main targets. At the launch, the league was probably taking market share away from teenybop pop groups, as much as from other sports. The tastes of teenage girls are fickle, however.

Merchandising, which used to account for the largest proportion of revenue to the J.League, has been badly hit by the loss of young female fans. Japanese teenage girls and young women apparently spend much more on logo-covered objects than their brothers and fathers. Merchandising royalties from Sony Creative Products, which has monopoly rights to produce such items as souvenirs and replica uniforms for the J.League and all the clubs, plummeted from ¥3.6bn in 1993 to ¥844m last year and a projected ¥760m this year.

One form of revenue not in serious decline is sponsorship. The J.League signed three-year agreements with nine companies last year, so in spite of falling television ratings and attendances, sponsorship income should remain relatively steady. The league expects ¥4.4bn of sponsorship this year, compared with ¥4.7bn last year and ¥3.8bn in 1995. Individual clubs can also arrange their own sponsorship and advertising at local level, though this probably only brings in significant revenues for bigger clubs such as Verdy Kawasaki.

Income from broadcasting fees should increase this year, even though fans will have a harder time watching games from outside their area. The free-to-air commercial stations have lost interest in football, but two satellite pay-TV broadcasters have picked it up, and NHK, the national broadcaster, will show a few important games.

When the J.League started, few people going to matches knew anything about football, so the spectacle was all. Now Japan may be ready to take football more seriously.

The national team's unexpected win over Brazil in the Olympic Games last year was one boost to the game's standing at home. Japan also won all three of their matches in Oman last month in the Asian preliminaries for the 1998 World Cup.

Building up soccer's popularity after the collapse of initial enthusiasm will be difficult. But Japan's political and commercial investment in it during the past four years has been so substantial that its promoters are not likely to let the game take an early bath.

UNIT TRUSTS

WINNERS AND LOSERS

TOP FIVE OVER 1 YEAR

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Johnson Fry Slater Grth

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 3 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 3 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Prolific Technology

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 5 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 5 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Mercury Gold & General

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 10 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 10 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Henderson Japan Sm

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 3 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 3 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Best Peps

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 5 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 5 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Money Mkt

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 10 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 10 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Financial & Property

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 3 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 3 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Global Emerging Mkts

1,407	1,322	1,298	1,270	1,263
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TOP FIVE OVER 5 YEARS

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Robust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 5 YEARS

Old Mutual Thailand Acc	465
F&G Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Source: HSW (01625 511311)

Indices

Average Unit Trust	887	1176	1817	2285	3.2	2.5
Average Investment Trust	1105	1227	2081	2844	4.5	4.5
Bank	1033	1112	1214	1314	0.6	4.3
Building Society	1031	1112	1214	1314	0.6	4.3
Stockmarket: FTSE All-Share	1133	1488	2002	3020	2.7	3.7
Inflation	1027	1091	1124	1252	0.4	0.4

UK Growth

Johnson Fry Slater Growth	1407	1838	2431	3000	3.6	0.9
Jupiter UK Growth	1133	1732	2395	2935	3.1	1.8
Credit Suisse European Inc	1088	1620	2211	2722	3.1	1.1
Perpetual UK Exempt	1119	1589	2220	2722	2.7	2.2
Sanwa UK Growth	1044	1551	2167	2678	3.0	1.8
SECTOR AVERAGE	1075	1527	2185	2748	3.0	1.8

UK Growth & Income

Fleming Select UK Income	1186	1477	2062	2498	2.9	3.4
Perpetual UK Income	1108	1471	2041	2507	2.7	2.8
Fidelity UK Dividend Growth	1084	1455	2011	2455	2.8	2.3
Lazard UK Income & Growth	1091	1455	2037	2582	2.8	4.1
Co-op Pans Equity Dis	1160	1445	1983	2455	2.6	3.3
SECTOR AVERAGE	1079	1303	1807	2437	2.9	2.7

UK Smaller Companies

Gartmore UK Smaller Companies	1286	1814	2502	2557	3.4	0.2
Laurence Keen Smaller Cos	1163	1785	2411	2411	3.0	1.1
AES Smaller Companies	1126	1688	2318	2318	3.1	0.8
INVESTCO UK Smaller Companies	1201	1685	2228	2289	3.9	1.1
Schroder Smaller Companies Inc	1240	1629	2203	2382	3.1	1.0
SECTOR AVERAGE	1072	1300	2065	2103	3.0	1.4

UK Equity Income

Jupiter Income	1155	1754	2326	2826	2.8	4.0
Lazard UK Income	1117	1508	2286	2747	2.7	4.5
River & Mercantile 1st Income	1096	1441	2146	2645	2.8	4.0
BWD UK Equity Income	1140	1439	2102	2489	2.9	3.5
Britannia High Yield Inc	1087	1439	2188	2735	2.7	3.9
SECTOR AVERAGE	1077	1273	1880	2459	2.8	4.5

UK Equity & Bond Income

Cazenove UK Equity & Bond	1088	1307	1825	2316	2.5	6.2
Prolific Extra Income	1044	1307	1825	2316	2.5	4.5
Credit Suisse Retirement Income Inc	1067	1275	1903	2316	2.9	5.5
Prudential Distribution Inc	1063	1247	1825	2316	1.8	5.3
CU PPT High Yield	1115	1244	1892	2316	2.9	5.4
SECTOR AVERAGE	1055	1188	1727	2037	2.3	5.4

UK Eq & Bd

BWD Balanced Portfolio	1135	1496	2238	2738	3.1	1.2
Perpetual High Income	1097	1391	2331	2738	2.2	3.2
Credit Suisse High Income Port	1055	1369	2166	2738	2.6	4.0
Henry Cooke Balanced	1058	1353	2166	2738	1.8	2.4
NPI UK Extra Income Inc	1059	1331	2022	2738	2.4	3.0
SECTOR AVERAGE	1088	1297	1900	2340	2.5	3.2

Gift & Fixed Interest

Abtrust Fixed Interest	1133	1245	2249	2530	1.7	8.7
Thornhill Preference Inc	1065	1232	1758	2343	1.8	9.2
M&G Gift & Fixed Interest	1112	1211	1411	1865	2.0	6.4
Britannia Gift & Fixed Int Inc	1055	1189	1353	1735	1.7	8.1
Henderson Preference & Bond	1089	1189	1822	2055	1.5	8.1
SECTOR AVERAGE	1092	1128	1440	1867	1.7	6.5

International Equity Income

Martin Currie Intl Income	1089	1239	1981	2455	2.7	2.8
GT International Income	1018	1225	1869	2540	2.4	2.6
Dolphin Intl Gth & Income	1028	1206	1788	1896	2.8	2.2
Mayflower Global Income	1032	1200	1821	2081	2.6	4.1
M&G International Income	1011	1173	1886	2487	2.3	4.3
SECTOR AVERAGE	1022	1163	1827	2095	2.6	3.3

International Fixed Interest

Baring Global Bond	1010	1159	1817	2117	1.6	6.2
Barclays Intl European Bond Inc	1080	1136	1817	2117	1.2	5.9
Old Mutual Worldwide Bond Inc	979	1121	1415	1817	1.8	5.0
Mercury Global Bond Acc	962	1108	1462	1817	1.7	4.9
TSB International Income Inc	962	1098	1409	1817	1.7	4.6
SECTOR AVERAGE	928	1012	1342	1605	1.9	5.3

International Equity & Bond

Bank of Ireland Ex Mgd Growth	1061	1375	1978	2455	2.1	2.9
Cazenove Portfolio	1023	1296	1960	2455	2.0	2.1
Fleming General Opportunities	1008	1266	1719	2455	2.5	3.2
Gartmore PS Long Term Balance	1057	1254	1878	2455	2.4	2.8
Ballie Gifford Managed	1017	1242	1792	2784	2.4	2.6
SECTOR AVERAGE	1010	1186	1848	2248	2.2	2.5

Prolific Technology

883	1810	3279	4377	6.4	4.4
886	1733	2334	5027	6.9	4.4
1129	1583	2798	3433	2.6	1.7
1061	1406	2111	2738	3.7	0.3
1141	1403	2111	2738	3.7	1.1
980	1134	1798	2129	3.2	1.0

Nth America

PM North America Growth	1024	1900	2854	4010	4.5	0.0
Hill Samuel US Smaller Cos	1017	1800	2855	5554	5.3	0.0
Edinburgh North American	1086	1699	2865	3088	3.5	0.8
Martin Currie North America	1084	1656	2498	2856	3.2	0.0
Allied Dunbar European Spec St	1056	1633	2406	3342	3.6	0.0
SECTOR AVERAGE	1002	1366	2113	2746	3.9	0.5

Europe

Jupiter European	1174	1900	3000	3000	3.3	0.2
Baring Europe Select	1164	1749	2657	2878	3.5	0.8
Friends Prov European Gth	1106	1618	2346	2738	2.7	0.0
Gartmore European Sel Opps	1071	1614	2353	2918	2.8	0.0
Henderson European Growth	1124	1601	2559	2738	2.7	0.1
SECTOR AVERAGE	1094	1321	2012	2502	3.0	0.8

Japan

GT Japan Growth	832	846	1442	1301	3.2	0.0
Martin Currie Japan	758	799	1802	1455	4.7	0.0
Hill Samuel Japan Technology	722	785	1586	2115	6.5	0.5
Murray Japan Growth	728	790	1455	1455	4.2	0.2
Newton Japan	805	776	1420	1455	4.3	0.0
SECTOR AVERAGE	657	623	1177	1044	4.7	0.2

Far East inc Japan

Far East Inc Japan						
Govett Greater China	1079	1133	2380	3039	4.1	-
Abtrust Pacific	867	1054	2128	3135	4.0	0.3
Waverley Pacific Basin	865	979	1671	1453	4.0	-
Martin Currie Far East	888	975	1849	2063	4.2	0.2
Thornhill International Income Inc	937	975	1866	2275	3.4	3.6
SECTOR AVERAGE	922	985	1905	2255	4.0	0.0

Authorised Unit Trusts

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

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on Tuesday April 29

FT Surveys

Prices for 1/4/87. Please note that trading prices are currently used to calculate highs and lows.

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Green: Contractual rate of interest payable; not taking account of the deduction of basic rate income tax.
Red: Rate of interest payable after allowing for deduction of basic rate income tax.
Green DAFs: Green rates assumed to include amount of compounding of interest paid other than once a year. "Compounded Annual Rate" but for Green rates interest is assumed to be compounded annually.

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[illegible]

Offshore Insurances and Other Funds

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Apr 11/US\$)

(4 pm close)

NYSE

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COMPANIES AND FINANCE

Head of core retail side leaves and business to be split into two divisions

WH Smith steps up its efforts to revitalise

By David Blockwell

WH Smith yesterday announced the departure of the head of its core retail business alongside increased efforts to revitalise the high street chain. Mr Peter Bamford, 43, is leaving immediately.

The group is to split its retail business into two divisions and hand retail distribution over to WH Smith News, the UK's largest

wholesaler and distributor of magazines and newspapers. This will leave the 400 high street stores as a separate business.

The 100 shops that serve travellers at airports and stations will be transferred into a separate division.

Mr Bill Cockburn, chief executive, who joined the group from the Post Office just over a year ago, is to become chairman of the

WH Smith Retail board. He is looking for managing directors for both retail businesses.

Mr Tony Shiret, retail analyst at BZW, said Mr Bamford's departure left a vacuum. "It's incredibly important that investors can see the man in charge of the main chain," he said, adding that it would be difficult to recommend the shares until analysts had some idea of the sales strategy, given

the negative pricing trends in the group's main markets.

Mr Cockburn said that Mr Bamford had left "a great foundation on which to build" one year into the four-year recovery programme for the retail business.

He added that fresh blood and fresh energy was needed, but "there is no lack of momentum. I can promise you. My top priority is to get

the high street chain buzzing."

In the longer term creating "a world class logistics service of some magnitude" would present interesting opportunities in the longer term, given the customer base which includes 25,000 UK newspapers.

Mr Bamford, 43, was one of the so-called young turks who joined the board at the end of 1995 in charge of WH Smith Retail, a post that

has proved something of a poisoned chalice.

His predecessor was Mr Peter Troughton, who was the youngest executive director when he quit aged 47 shortly after the first of two profit warnings in 1995.

Mr Cockburn described Mr Bamford's departure as amicable.

He would not reveal the level of compensation for Mr Bamford, who was on a two-

year contract and a salary of £111,000.

WH Smith last year announced its first loss in 204 years of trading. However, earlier this year it reported a sharp jump in interim profits from £17.3m to £38.6m on sales of £1.29bn.

Mr Cockburn said the company had been refocused, peripheral businesses sold and cost cuts implemented to save £14m a year.

Boeing division plans new services

By Christopher Parkes in Los Angeles

Boeing Enterprises, the diversification division set up by the US aerospace group earlier this year, plans to add aircraft maintenance and data services to its portfolio, the company said yesterday. Product spin-offs and other services related to the group's core operations are also planned.

Several options, all part of chairman Mr Philip Condit's recently unveiled strategy of evolving into a global concern, were under active consideration. "We have an enormous wealth of data built up in the normal course of group business, which we have never utilised properly."

This ranged from knowledge of customers' requirements gathered in the course of configuring passenger jets to individual airlines' needs, and the information in Boeing's own maintenance manuals.

The company has started exploratory talks with several airlines over possible joint ventures or the acquisition of their heavy maintenance operations in the wake of a trend for carriers to outsource activities, enabling them to concentrate on core operations.

Boeing Enterprises, established in January, currently has two main responsibilities. It oversees the development of a joint venture, established with General Electric last year, to market derivatives of the 737 passenger aircraft in the corporate jet market.

More recently, it announced a link-up with FlightSafety International to train pilots and ground crew. The partners each contributed \$100m to the development of what BE has identified as a big growth market.

Military cuts have reduced the supply of pilots trained by the world's armed forces and have presented commercial companies with a new opportunity, Boeing said. "We estimate a demand for 200,000 pilots over the next 20 years," it added.

FlightSafety, a division of Mr Warren Buffett's Berkshire Hathaway group, which trains more than 50,000 pilots and technical staff a year in 40 countries, is one of the world's leading companies in this field.

Before the venture, Boeing trained about 1,500 air crew and 4,000 mechanics and maintenance staff in an unprofitable in-house operation. Although most airlines retain their own training programmes, Boeing believes outside suppliers will benefit as the trend towards outsourcing, which has transformed the food service sector, develops.

Aircraft maintenance is a particularly delicate area, and Boeing said it was concerned not to be seen as a competitor "to services already provided by its customers for aircraft. Lufthansa, the German flag carrier, has become an important participant in this market since its 1995 spin-off of Lufthansa Technik division."

Japanese options for the coming 'big bang'

Japanese investors will soon be able to deal in options on individual stocks, something which their European and US counterparts have long been able to do. Currently, Japanese exchanges only offer options on indices rather than single companies.

The move is significant not just because it will give Japanese institutions greater flexibility in their portfolio strategies and bring Japanese financial markets one step closer towards world standards. It is also a precursor of a wave of financial deregulation and new products due in Japan's "big bang" over the next few years, and so is being closely watched to see if the sweeping public statements are being followed through with genuine commitment to change. The signs so far are good.

The most encouraging factor is the speed at which the new system is being implemented. Japanese institutions are notorious for changing at a snail's pace. The Tokyo commodities exchange, for example, this week introduced trading in aluminium futures - about 10 years after the idea was first mooted. The introduction of options on individual stocks, however, will have taken less than two years from proposal to launch, if it goes ahead as planned in July.

"From the US standpoint, that seems like ages, but from the Japanese experience, it seems like lightning speed," says Mr Mark Chanuel, general manager for futures and options at ING Barings Securities in Tokyo. "If nothing else, it really demonstrates that with big bang, they are pushing through some of the measures more quickly, as opposed to it being just rhetoric or window dressing."

The options are due to start trading this summer on Japan's two main exchanges: the Tokyo Stock Exchange and the Osaka Stock Exchange, which has set the

Tokyo and Osaka are changing the rules, writes Bethan Hutton

launch for July 18.

The OSE is hoping to play the role of Chicago to Tokyo's New York. It has more experience with derivatives - it introduced options on the Nikkei index, which the TSE does not trade - but Tokyo is a much larger and more active market.

Although the two will be competing over options, they have been co-operating on the planning. For example, although the OSE initially favoured US-style options, which can be exercised at any time, and the TSE wanted European-style options, with one fixed exercise date, they eventually agreed on the European system to avoid the confusion of having two trading systems in one country.

Both the TSE and OSE will use stock rather than cash settlement. Full details of how the options market will work have yet to be decided; more news is expected in May. Both exchanges have issued guidelines as to which shares will be eligible, with a priority being to ensure good liquidity. For example, in Tokyo, eligible stocks must have at least 5,000 shareholders, average daily turnover of at least 150,000 shares and at least 150m shares listed. In Osaka the requirements are a minimum 3,000 shareholders, annual turnover of 25m shares, and 100m shares listed.

There are several hundred possibilities for each exchange, but Tokyo is expected to start with options on between 10 and 40 shares, and Osaka with 20 to 60, so there is keen speculation on which will be selected. Volatile sectors such as banking seem likely.

Analysts say it is still too early to judge who will be the main users of the new options, but it seems clear that the exchanges are aiming for a good mix of institutional and retail clients, and have also been careful to include foreign brokerages in the consultation process.

Japanese private investors' speculative tendencies are well known, hence they are expected to be interested in options as highly-gearred investments. For institutions, one attraction is the use of options for portfolio hedging.

Overseas investors can arrange options on Japanese shares through offshore over-the-counter markets, but Japanese institutions have been barred from even that degree of flexibility, and at a time when Japanese fund managers are being exposed to closer scrutiny of their performance, the new instruments may be very helpful.

Mr Leigh Baxandall, head of derivatives research at BZW Securities in Tokyo, says: "Institutions in general are very interested in stock option markets, from the perspective that it allows them in particular to sell options. Currently all the institutions can do is buy convertibles and buy warrants."

Options are considerably more flexible. Unlike warrants, which are long dated and have a single strike price, Japanese options will have a range of short maturities, and a choice of at least five strike prices, one about the current share level, two below and two above. Also, of course, both put and call options will be available, giving investors greater scope for taking negative positions.

There is still much detail to be filled in, but observers are optimistic about the prospects both for this innovation and those to follow. "It is a very significant indicator of what will happen in the big bang," says Mr Baxandall.

GrandMet close to sale of European units

By Chris Gresser

Grand Metropolitan, the UK food and drinks group, said yesterday it was close to selling two European food businesses to US-based Sara Lee Corporation.

It is thought that it could receive up to \$30m for Brossard in France and Fida in Italy - which reported combined turnover of about £190m last year. Their profits were not disclosed. A loss on the sales is likely, but the company said this had been taken account of in a £207m goodwill write-off announced last year.

The deal, expected within the next few weeks, will mark GrandMet's exit from domestic brands in continental Europe. It follows the sale of businesses in Germany, the Netherlands and Belgium, and allows the company to throw all its marketing resources behind four international brands - Pillsbury, Green Giant, Häagen-Dazs and Old El Paso.

GrandMet has also put up for sale four UK businesses, including the 200-year-old Shippams paste brand. Taken together, the string of European domestic brands made operating profits of £10m on sales of £370m in the year to September 1995.

Analysts welcomed the imminent sale of Brossard and Fida. Mr James Norman at BZW said: "We regard this as a healthy line drawn under the past. Many of these businesses were bought in the belief that the brands could cross boundaries, which they didn't."

The disposals, combined with improvements in cash flow, could reduce net debt from £2.4bn to £2.3bn by this September, BZW said. The improved position could improve the prospect of a share buy-back, a possibility raised by Mr John McGrath, chief executive, last year.

Investcorp takes over Helly Hansen for \$112m

By Alice Rawsthorn

Investcorp, the Bahrain-based investment group that spearheaded Gucci's revival, is taking control of Helly Hansen, the Norwegian high-performance sportswear manufacturer, in a deal worth \$112m.

Mr Johannes Huth, a member of Investcorp's management committee, said the group hoped to establish Hansen, best known for making technical-advanced nautical clothing, as a high-profile sportswear brand such as Nike or North Face.

Under the terms of yesterday's deal, Investcorp, which specialises in acquiring Western recovery stocks - usually established brand names - for Gulf investors, will acquire 70 per cent of Helly Hansen.

Until recently Helly Hansen was co-owned by Aker and Orkla, two Norwegian conglomerates. Aker decided to sell its holding last year after its merger with the RGI group.

Investcorp has since negotiated to buy that 50 per cent stake together with a 20 per cent holding from Orkla.

The transaction values Helly Hansen, which was founded in 1877 and now manufactures ski-wear, running clothes and climbing gear as well as nautical clothing, at about \$160m.

Helly Hansen is in better financial shape than several other Investcorp purchases, including Gucci, whose turnover has quadrupled since the Gulf group took control in 1993, and whose share price has trebled since it went public 18 months ago.

The Norwegian company mustered turnover of \$145m last year when, according to Mr Huth, its profit margins were roughly 10 per cent, a level it has sustained for the past few years.

However, Investcorp is convinced that Helly Hansen should be able to exploit the growing demand among young consumers to buy technically advanced sports clothing as leisure wear.

"This type of outerwear is extremely trendy on the streets of New York," he added.

"Helly Hansen has benefited from the trend, but not as much as other brands."

"It makes fantastic products of excellent quality, but needs higher visibility."

The main thrust of Investcorp's investment will be in marketing to raise awareness and refine public perception of the Helly Hansen brand. Mr Huth said the initial target markets would be the US, UK, France and Germany.



In shape: Helly Hansen is fitter than most Investcorp buys

Rentokil chief joins the £1m club

By Ross Tiaman

Sir Clive Thompson, the chief executive of Rentokil (initial, the services group, yesterday became the fifth quoted company director this week to join the club of those receiving £1m a year.

A 44 per cent rise in his basic salary, to £892,000, plus benefits and a £471,000 bonus took his total to £1.36m.

The number receiving £1m-plus packages is expected to increase as concern among institutional investors about pay levels in quoted companies. A study by Incomes Data Services, the independent pay research company, of FTSE 250 companies found that in

1995-96 only 18 top directors were paid £1m or more.

It also showed that bonuses were rising substantially faster than basic salaries. According to the study, the median total pay package of the highest paid director in FTSE 250 companies during 1995-96 was £405,859, up 8.6 per cent on the previous year. But the median increase in basic pay in the companies studied was up just 5.8 per cent, to £304,000.

Because many quoted companies have now adopted a December year end, April is the month in which annual reports, which disclose directors' salaries, are published. Pay announcements are being monitored

to see whether the replacement of share option schemes with long-term incentive plans has achieved closer links between pay and performance.

Earlier this week, National Express, the transport group, revealed that Mr Phil White, its new chief executive, received £1.05m last year. The chief executive of the Ladbroke leisure group, Mr Peter George, received £1.28m, Mr Robert Peel, chief executive of Thistle Hotels, received £1.4m and Sir Colin Chandler, chief executive of Vickers, £1.07m.

In some cases, the director's package was bolstered by special bonuses. Mr White received a one-off

£725,000 in recognition of his reorganisation of West Midlands Travel, acquired in 1995.

Mr Peel's pay included £812,402 from Brierley Investments of New Zealand, the company's previous owner, triggered by Thistle's flotation. Mr George, at Ladbroke, received a £600,000 payment from a long-term incentive scheme, part of a series of pay-outs causing directors' remuneration to almost double to £3.6m.

Sir Colin's pay also included £150,449 from the exercise of phantom share options, part of a bonus scheme designed to reflect relative share price performance.

Antonov makes £3m placing

Antonov, the Airm-listed automatic gearbox developer, yesterday announced little changed pre-tax losses of £1.7m for 1996 and the completion of a £3m share placing.

Cash at the year-end was £800,000, but Mr Roumen Antonov, chairman, said that more resources were required "to strengthen our position at the negotiating table with established and new customers, and also to fund a new development programme with Chrysler".

Some 3.65m shares were placed at 87p, as existing shareholders completed a placing of 6.2m shares, also at 87p. As part of this, Antonov Holding EURL - wholly owned by Mr Antonov - has disposed of 1.11m shares in

order to discharge certain obligations created at the start of the Antonov transmission project.

Mr Antonov retains interests in 11.7m shares (15.3 per cent of the enlarged equity). Lock-in arrangements made at the time of the flotation in May 1995 have been extended until May 18 1998, covering some 51m shares.

The shares, which had been suspended at 116p, resumed trading following the announcement and closed at 108p.

In the light of the fund raising and because of interest from the Dutch investment community, Antonov is to apply for admission to NMAK, the new market of the Amsterdam stock exchange.

Minet buy furthers Aon expansion

By Christopher Adams

Aon, the international insurance broker, has bought Minet, the loss-making UK broker, from St Paul Companies, the US-based property and casualty insurer.

The consideration was not disclosed, but Aon is believed to have offered between \$50m and \$100m for Minet, which St Paul has been trying to sell for several months.

Aon began talks only a few weeks ago. Its main rival, Marsh & McLennan, had also made an offer and completed due diligence.

Mr Patrick Ryan, chief executive, said: "The company provides a good strategic fit with Aon's reinsur-

ance and wholesale brokerage business and strengthens our professional liability business."

Minet incurred a \$13m loss on income of \$370m in 1995.

The acquisitive broker is at present integrating its operations with Alexander & Alexander, which it bought for \$1.23bn this year.

It acquired Bain Hogg, the UK broker, for \$252.9m in October, making Minet the third purchase in only six months.

Nearly 100 new insurance companies were registered in Bermuda last year, making 1996 the most active year in a decade for the Caribbean island's registrar of companies.

CONTRACTS & TENDERS

BIG INVESTMENT OPPORTUNITY ON THE ROMANIAN BLACK SEA COAST

CONSTANTA SOUTH FREE ZONE ADMINISTRATION organises according to Law no. 84/1992

an open public tender for the concession of land areas on Platform no.3 in the Free Zone of Constanta South Port, for the construction of a grain terminal including a storage facility of at least 100,000 metric tons capacity and its related equipment to handle grain to/from rail, road and the port basins.

In compliance with the provisions of Law no. 84/1992, the concession may be granted for a maximum period of fifty years. The Tender Documents may be obtained on or after April 11, 1997, from the headquarters of the Free Zone Administration upon payment of a non-refundable fee of US\$700.-. Eligible firms are the ones recognised as experienced professionals in the trade of grain. When purchasing the Tender Documents, interested eligible tenderers will submit an application for participation comprising the following information:

- name of the tenderer;
- complete address: headquarters, phone and fax numbers;
- references in grain trade activities.

The deadline for submitting offers is June 5, 1997, at 15:00h local time at the headquarters of Constanta South Free Zone Administration. The public tender opening will take place in the presence of Tenderers Representatives who choose to attend, on June 6, at 10:00h local time, at the Marine Training Centre in Constanta, 101 Baba Novac Street.

For additional information, please contact:

CONSTANTA SOUTH FREE ZONE ADMINISTRATION

Ferry Boat Terminal Building Agigea, code 8711, Jud. Constanta, ROMANIA
Tel: (40) 41-741 378; 618 718; 619 100 ext. 2118, 2162 Fax: (40) 41-639 000; 619 729; 693 913
General Director CONSTANTIN SUTEU

COMPANIES AND FINANCE

Vociferous fan delves for a level playing field

So closely is Mr Richard Budge, head of RJB Mining, identified with the state of the UK coal industry that when a football pitch is built at a colliery, he is given credit for it. "That's the sort of boss Budge is, now we can build things like that," says miner David Smith, pointing to a flattened slag heap about to be adorned with white lines and goalposts at Rostington colliery near Doncaster. Mr Smith has spent the last two years of his 22-year mining career working for RJB, the UK's largest coal producer.

In the ebullient and headstrong Mr Budge, UK miners appear to have found their most vociferous and ardent supporter since the days when Arthur Scargill was at his most ubiquitous.

In the past week the RJB chief executive has argued for another kind of playing field - a level one for coal in the UK's electricity market.

At a coal industry lunch and then again at the company's results presentation, he said that support for UK coal was necessary to provide a balanced energy policy. "Please don't let the coal industry die," he pleaded. "If

Jane Martinson on Richard Budge and RJB's fight for coal's role in a balanced energy policy

it does, where are we going to get power from in 20 years' time?"

He repeatedly invokes the image of the UK miner as the last line of defence against unrestrained imports of Russian or Algerian gas.

Such arguments are set to become much louder this year, a crucial one for RJB. At stake is the renegotiation of contracts which supply most of RJB's turnover, and funding for a new technology which the company hopes will provide a third of its output over the next 10 years.

Both appeared to receive a boost this week when National Power, the generating company and RJB's largest customer, announced it was to join the company in a feasibility study into the UK's first commercial clean coal-fired power station.

Both sides stressed that the technology, which involves the gasification of coal, needed a subsidy to be financially viable in its early years. While both main parties have indicated some

level of support, the Labour party is believed to be the more enthusiastic.

Although National Power denied any link between the study and renegotiation of the contracts, due to expire next April, Mr Budge showed his usual reluctance to let an opportunity pass him by. "You don't normally go to bed with somebody you're not on good terms with, do you?" he said.

His upbeat comments, combined with results at the top end of expectations, helped RJB shares leap 28 per cent to 453½p last week. While Mr Budge refused to outline details of prices or volumes, he still told analysts that he had "sold some [of the coal being negotiated] and was smiling".

This bravura performance in the run-up to the negotiations proper is attracting some support. The conviction is growing that RJB's relative reliability and the usefulness of coal mines near large power stations will help ensure a relationship with the generators.

Mr Andrew Hollins, analyst at Kleinwort Benson, believes that indigenous coal is a necessary counterbalance to imports and an over-dependence on gas. "RJB may not be able to live without the generators but the generators can't live without it either," he says.

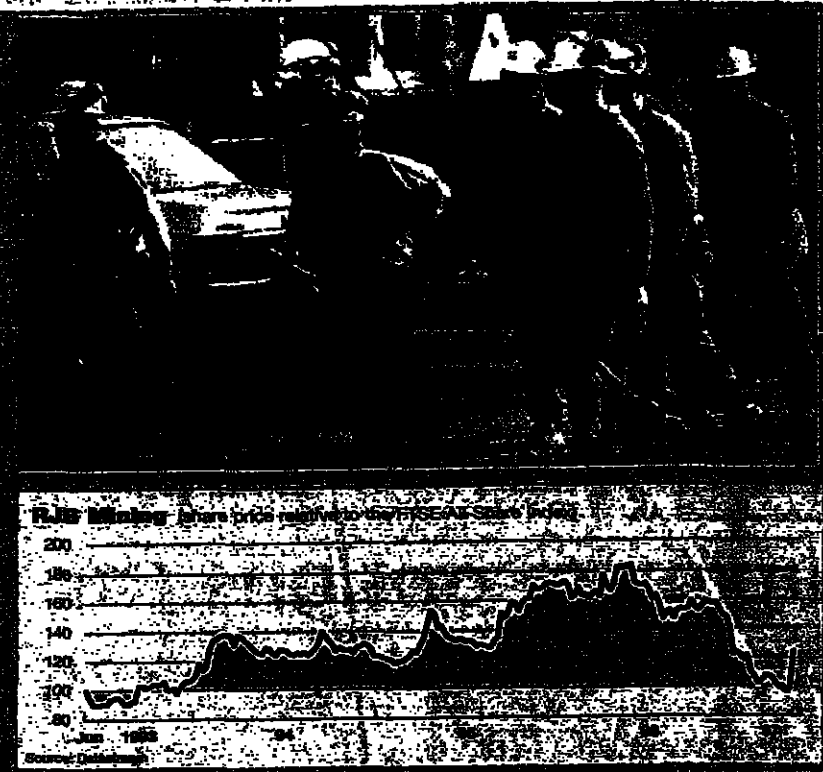
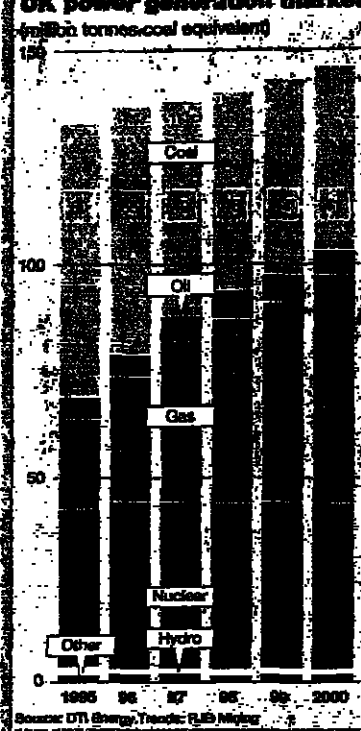
However, the overriding view is still one of extreme caution. With pre-tax profits of about £180m forecast for this year the shares are trading on a forward multiple of 5, a 65 per cent discount to the market. BZW, the group's broker, is forecasting a fall in pre-tax profits to £148m in 1998 and £124m in 1999, following the negotiations.

Most analysts believe that RJB will have to accept prices for the contracts at least 11 per cent lower than the 141p per gigajoule achieved last year. Contract volumes of some 30m a year are also expected to shrink.

Generators have the choice of other forms of energy, particularly cheaper

Contracting coal

UK power generation market



foreign coal and gas. The "dash for gas" has seen coal's contribution to the power generation market fall from 80 per cent to 50 per cent since 1980.

While Mr Budge is keen to point out that City analysts have consistently underestimated the demand for coal, analysts speak of the credibility problem suffered by the company after a profits

warning at the end of last year. The warning was prompted by the strength of the pound.

The uncertainties are having an impact on RJB's 9,500 employees. Mr Ken Ashton, who has worked at Rostington for 33 years, says: "I think 1998 is on everybody's mind."

Rossington, which was saved from closure by RJB

three years ago, is held up as an example of the new mining attitude. Some 331 men now produce a similar amount of coal to that mined by three times as many workers 10 years ago. Costs at the mine have fallen by 50 per cent in the last six years.

Mr Derek Main, Rostington's assistant manager, believes that the industry

should be supported after getting its house in order. "We have everything here to make this work. All we need is a kick at the ball," he says.

While the election and the negotiations are creating great uncertainties for RJB this year, one thing will not change: Mr Budge's presence on the sidelines shouting his support.

Proposed 'friendly' merger would create the biggest milk processing group in UK and Ireland

Avonmore approaches Waterford Foods

By John Murray Brown

Avonmore, the Irish foods company, has made a bid approach to Waterford Foods, in a move which could create the biggest milk group in the UK and Ireland.

Both companies are controlled by farmer co-operatives. Ireland's dairy industry has been looking ripe for consolidation, with 40 processors chasing an annual milk pool of 1bn gallons.

Waterford's share price jumped 20p to 100p in Dublin yesterday, valuing the Dungan-based group at

£187m (£178m). It said the approach would be "fully evaluated". The statement followed contacts with the Takeover Panel.

The proposal is understood to involve a merger of the companies via an exchange of shares. Avonmore is also expected to offer a milk price bonus as a sweetener to the 4,500 farmers who, through the co-operative, own 80 per cent of Waterford.

Later in the day, Waterford also announced its 1996 results, showing a 20 per cent fall in pre-tax profits to £19.8m, on sales up a third

at £1.04bn. It brought the release of the figures forward from Monday in what some analysts interpreted as a defensive move.

Waterford became vulnerable to a predator last month, following a profits warning that saw its shares drop to 78p.

Analysts are not expecting a deal to be struck at a big premium to yesterday's close.

"They're in such a mess, any premium on that would be good," said one fund manager.

The Waterford board met

yesterday to consider the proposal, followed by a meeting of the board of the co-operative. Any agreement by the two boards will require endorsement from 75 per cent of the 4,500 farmers at two consecutive EGMs, which bankers said could take several weeks to organise.

An adviser to Avonmore said: "The offer is a very friendly one, and we hope it will be picked up in the spirit in which it is intended. We're trying to say there's something nice in it for everyone."

Avonmore, which is 63 per cent owned by a co-operative, closed up 7p at 285p in Dublin, valuing it at £141m. It is the largest of the Irish dairy companies.

Last year, it had operating profits of £48.1m on sales of £1.4bn. It has diversified into food ingredients and has operations in the US and Hungary as well as the British Isles.

The two companies first had merger talks in 1991. If a deal went through, the merged entity would have 35 per cent of the Irish milk pool.

It would be the largest milk processor in the UK and Ireland with 701m gallons, compared with Northern Foods at 622m gallons and Unigate at 530m, and the fourth largest milk concern in the EU.

It would also have combined cheese production of 250,000 tonnes a year and 20 per cent of the UK market.

Avonmore is being advised by Investment Bank of Ireland, part of the Bank of Ireland, and Waterford by NCB, the stock broking unit of Ulster Bank, owned by National Westminster.

LCI to co-operate with MMC

By Scheherazade Daneshkhu

London Clubs International, the UK casino operator, is keeping open the possibility of a renewed bid for Capital Corporation, its smaller rival in the London casino market by co-operating with the Monopolies and Mergers Commission investigation into the proposed acquisition.

The Department of Trade and Industry referred the bid to the MMC this week because of competition concerns. The MMC's decision is due to be released by July 7.

Great Portland extends retail portfolio with £59m Ilex deal

By Virginia Marsh

Great Portland Estates, one of the UK's biggest property companies, said yesterday that it had purchased Ilex, a private company set up in 1985, whose main assets are two Bond Street leaseholds, for £58.6m.

Net rental income of Ilex's properties - which range from Louis Vuitton's headquarters to provincial warehouse space - is £3.46m a year and is expected to rise to £4.2m within 15 months, partly as a result of rent reviews. About £2m of the present rent roll extends beyond 2010.

The purchase, of which £41.6m is in cash, uses up the remaining funds raised in Great Portland's £97m rights issue earlier this year.

The balance is being paid in the form of unsecured loan notes. These bear 27½ basis points below Libor and are redeemable between 1997 and 2007.

Mr Richard Peskin, chairman, said the purchase would dilute earnings, but that, after letting vacant space at Ilex, it would have a neutral impact by 1998-99.

In November, Great Portland reported pre-tax profits

down 8 per cent at £21.9m for the six months to September 30.

The company launched the rights issue mainly to fund spending on retail developments. In February, it announced the £30m purchase of retail parks in Hertfordshire and Cumbria. It aimed to increase retailing's share of its portfolio from 30 to 33 per cent by the end of this year.

As well as 66,200 sq ft in Bond Street, Ilex properties include 10,000 sq ft in freeholds in Maddox Street and Cork Street in London's West End and two long leaseholds in Kings Road.

Outside the capital - on which Great Portland has traditionally been heavily reliant - Ilex has warehouses in Aylesbury and Isleworth and business and retail space in Stevenage and Milton Keynes. It also has an 11.5 per cent stake in Polaris Estate, which owns 45 freeholds in the West End.

Great Portland shares closed up 1p at 307p, against the rights price of 190p. Before the cash call, it had net debt of £463m, representing gearing of about 70 per cent. It has said it would like to maintain gearing below 80 per cent.

Zeneca beats off challenge to patent

By Clive Cookson, Science Editor

Zeneca, the pharmaceutical group, announced yesterday that a US appeals court had dismissed a challenge to its patent for tamoxifen, the most widely used treatment for breast cancer.

The UK company said the ruling in its favour "effectively disposed of" the challenge by Novopharm, a Canadian generic drugs manufacturer, and safeguarded the US patent for tamoxifen until 2002.

Zeneca shares closed up 35p at £18.51p, giving a market value of £17.5bn, buoyed not only by the ruling but by also a revival of rumours in Switzerland that Roche, the Swiss drug company, was preparing a bid in the region of £21-23 billion.

The US Court of Appeals affirmed an earlier decision by the Federal Circuit affirming an earlier decision by the District Court for Maryland in April 1996. In theory, Novopharm could ask the US Supreme Court to hear the case, but lawyers say this is extremely unlikely.

Zeneca is also taking legal action against two other generic manufacturers, Mylan Pharmaceuticals and Pharmacia, for infringing its tamoxifen patent.

Zeneca sold £332m of tamoxifen - trade name Nolvadex - worldwide in 1996, down from £359m a year before. Sales are falling in most European countries, where the patent has already expired and generic tamoxifen is widely available. The drug is also losing sales to newer anti-cancer drugs, including Zeneca's own Casodex.

Patent protection in the US did not start until 1985, 12 years after tamoxifen had gone on the market in the UK. It had to go through an unusually protracted approvals procedure in the US.

Last week, Novopharm won a patent victory over Glaxo Wellcome, the UK pharmaceutical group, when the US Court of Appeals for the Federal Circuit upheld a ruling allowing it to market a generic form of Glaxo's ulcer medicine, Zantac.

Prices for electricity determined for the purposes of the electricity pricing order in England and Wales

100 base price	Pool	Pool	Pool
per unit	per unit	per unit	per unit
0200	11.82	11.87	11.91
0100	11.87	11.92	11.96
0100	11.87	11.92	11.96
0200	25.78	24.20	25.71
0200	25.78	11.87	11.91
0200	11.87	11.92	11.96
0300	11.87	11.92	11.96
0400	11.87	11.92	11.96
0400	11.87	11.92	11.96
0500	25.78	24.20	25.71
0500	25.78	11.87	11.91
0600	25.78	11.87	11.91
0700	25.78	11.87	11.91
0700	25.78	11.87	11.91
0800	25.78	11.87	11.91
0800	25.78	11.87	11.91
0900	25.78	11.87	11.91
1000	25.78	11.87	11.91
1100	25.78	11.87	11.91
1200	25.78	11.87	11.91
1300	25.78	11.87	11.91
1400	25.78	11.87	11.91
1500	25.78	11.87	11.91
1600	25.78	11.87	11.91
1700	25.78	11.87	11.91
1800	25.78	11.87	11.91
1900	25.78	11.87	11.91
2000	25.78	11.87	11.91
2100	25.78	11.87	11.91
2200	25.78	11.87	11.91
2300	25.78	11.87	11.91
2400	25.78	11.87	11.91

Diploma in £3.4m US purchase

By Emilio Terazono

Diploma, the UK distributor of electronic and building components, has acquired a majority stake in Carbon & Alloy Metals, a US special steels stockholder, for £3.4m. The company, which expanded its special steels business last year, said the acquisition was its first in the US oil service industry.

Carbon, which supplies oil-field equipment to oil exploration companies, would increase its business as a value added special steels distributor, it said.

Two of Carbon's directors will retain a 20 per cent interest in the company.

Ageing fleet takes shine off CTR third quarter

By Charis Gresser

An ageing trailer fleet at Central Transport Rental Group, together with adverse currency movements, combined to dent profits and revenues for the nine months to January 31. Operating profits slumped 45 per cent to £10.8m on revenues down 16 per cent to £86.4m. But the company enjoyed a record third quarter, during which its fleet experienced utilisation levels in excess of 90 per cent.

Mr David Howell, finance director, said the company, formerly known as Tiphook, had not been able to invest in new trailers for three years, putting it at a serious competitive disadvantage. But he said: "We can see some light at the end of the

tunnel. We are definitely seeing some improvement now."

Since restructuring last July, which converted £230m of debt into equity, the company has committed itself to buy £64m worth of new equipment. Mr Howell said this would start to benefit earnings from 1998.

In addition, CTR plans to raise a further £70m of debt to renew the rest of its 22,700-strong fleet of trailers.

Mr Howell said he thought the size of the fleet would not increase significantly. Despite the overcapacity, the rental market, CTR said, had been able to increase its rates in the Benelux countries, although it declined to say by how much. There was also an improvement in

the French market.

At the pre-tax level the company made £9.7m during the nine months, against a loss of £26.9m during the same period the year before, confirming the turnaround achieved at the half year.

The improved performance was aided by a reduced interest burden following the restructuring, as well as a £13m exchange gain on its outstanding US bonds.

Net borrowings stood at £231.4m at the end of January. The interest on the debt is covered 0.5 times by operating profits before exceptional. Mr Howell said the interest cover would be increased going forward.

The shares improved from 8½p to 9½p.

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Dividend (p)	Date of payment	Total for year	Total for year
African Lakes	25.5	(58.5)	0.007	(2.17)	8.13	(38.8)	-
Antarctica	0.233	(1)	1.78	(1.78)	2.48	(2.71)	-
Barlows	3.57	(2.93)	1.22	(0.77)	3.57	(2.94)	1.55
Central Transport	88.2	(113.2)	0.77	(28.9)	1.8	(24.2)	-
Chemical Design	2.25	(1.81)	0.515	(0.18)	6.99	(2.73)	-
First Call	44.9	(47.8)	3.57	(0.58)	7.51	(11.2)	-
Waterford Foods	1,044	(765.7)	15.8	(2.5)	6.3	(8.48)	1.98
Investment Trusts	NAV (p)	Attributable earnings (£m)	EPS (p)	Current dividend (p)	Date of payment	Corresponding dividend	Total for year
Barratfield VCT	99.08	(94.31)	0.141	(0.083)	1.51	(0.06)	1.625
FD Special Values	149.86	(136.42)	0.116	(0.021)	0.32	(0.08)	-
North Atlantic	408	(378)	0.16	(0.154)	1.55	(1.54)	-

Earnings shown basic. Dividends shown net except Xpress throughout. Figures in brackets are for corresponding period. After exceptional charge. After exceptional credit. (On increased capital). (On stock). * Comparatives pro forma and restated. † At August 31. ‡ Comparative restated.

NEWS DIGEST

Barlows in property merger

Two quoted property companies based in the north-west of England are coming together via a £43.6m share offer by Barlows for Rowlinson Securities. There is a recommended cash alternative with a loan note option.

Mr Nicholas Berry, Barlows' chairman, saw significant new opportunities arising from the deal. "Rowlinson's properties are in good locations and generally have larger lot sizes than Barlows' current portfolio," he said. He predicted annual rent would double to almost £8m and combined overheads would fall.

Barlows shares fell 4p to 63½p yesterday. The 11-for-2 offer values each Rowlinson share at 349½p, with the cash alternative set at 320p. Rowlinson shares jumped a further 30p to 312½p yesterday, compared with 202½p on Tuesday prior to the announcement of offer talks.

Barlows, which has received acceptances for more than 90 per cent of Rowlinson's shares, also announced yesterday a 57 per cent jump in 1996 pre-tax profits to £1.22m and a 2-for-5 underwritten rights issue of 10.6m shares at 52½p to raise up to £5.58m before expenses.

Sutherland's has been appointed broker to the company. Gary Evans

Independent share options

One of the longest serving executive directors at independent insurance, the fast growing commercial lines insurer, has made a profit of £408,000 from exercising 80,000 share options in the group.

Mr Robert McCracken was the first of independent's directors to exercise options in two years, buying the shares at 200p and selling them at 710p. He is believed to have sold the shares for personal reasons.

Independent's share price rose 2½p yesterday to 713½p, a record closing high. The company has bucked the trend in a UK insurance sector troubled by tumbling premium rates and pressure on margins. Born 10 years ago by venture capital-backed entrepreneurs, out of a business previously owned by US-based insurer Allstate, it floated in 1993 capitalised at £98.5m. Since then, it has grown rapidly, with a market value yesterday of £252m. Christopher Adams

Superscape shares up 6%

Shares in Superscape VR, a developer of virtual reality software, rose 6 per cent yesterday following an announcement on Thursday that it was cutting its costs by reducing the number of employees from 101 to 61.

The company's shares closed up 7½p at 317½p. Mr John Chiplin, chief executive, said the move was to ensure its return to profitability. Superscape reported pre-tax losses of £3.1m for the six months to January, as it increased product development and marketing spending due to its repositioning from a general virtual reality developer to a interactive 3D Web software company.

Disposal lifts African Lakes

African Lakes Corporation moved back into the black in the year to September 30 after benefiting from disposal profits. The group, which has interests in motor trading, agriculture, mining engineering and computer supplies, reported pre-tax profits of £96.813 (£21.7m losses) after disposal gains of £830,217.

The company said the fall in turnover from £38.5m to £25.5m reflected its withdrawal from the UK motor trade. The shares remain suspended at 45p.

Quadrant raising £5.6m

Quadrant Group, the video and photographic products supplier, intends to raise up to £5.6m in a placing and open offer of 5.62m shares at 100p. The open offer is on a 3-for-20 basis.

The placing and offer is conditional on a sub-division and consolidation of the share capital and is equivalent to an offer price of 5p per existing share. Each existing 18p share is to be divided into one ordinary 1p share and one 5p deferred share. The ordinary 1p shares will be consolidated into ordinary 20p shares. The shares were unchanged yesterday at 6½p.

McKay buys £8.6m portfolio

McKay Securities has bought a portfolio of properties from General Accident for £8.6m, financed from existing facilities. McKay developed all the properties being acquired and currently holds long leasehold interests in them. GA has a 22.47 per cent stake in McKay.

COMPANIES AND FINANCE: INTERNATIONAL

Andrew Jack charts the mixed fortunes of the Paris theme park as it celebrates its fifth birthday

Euro Disney in party mood at last

Mr Michael Eisner, chairman of the Walt Disney Company, is justified in feeling more than a little pride today as he takes part in the flamboyant birthday celebrations for Disneyland Paris, the theme park east of the French capital.

Ten years after Disney signed an agreement with the French government to build a park, and five years to the day after its gates opened - on schedule - the US entertainment giant can begin to breathe a sigh of relief over its cornerstone European asset.

Behind it lie painful years of negotiations, management reorganisation, high staff turnover, financial restructuring, adjustments to the European market, and the threat, as recently as 1994, that the park might close under the weight of debts.

The future looks more rosy, and the guests in today's celebrations can afford to enjoy the festivities without too much guilt. But considerable financial and competitive challenges lie ahead.

By most standards, the achievements of Euro Disney, the company that operates the park, are considerable. Even some of its fiercest critics - whether Gallic intellectuals, UK financial analysts, or its bankers and investors - have enjoyed visiting the park.

Nearly 50m visitors have passed through the entry gates over the past five years. In the 12 months to last September alone, there were 11.7m, making Euro Disney one of the most popular tourist attractions in Europe.

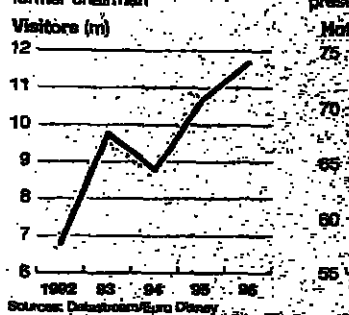
And while the French, with their own rich culture and history, have often been assumed to take a dismissive attitude to the park, they accounted last year for 41 per cent of total visitors, with many coming back for repeat trips.

Many of the early attacks on the park concentrated on the substantial financial incentives provided by the French government to Euro

Changing themes



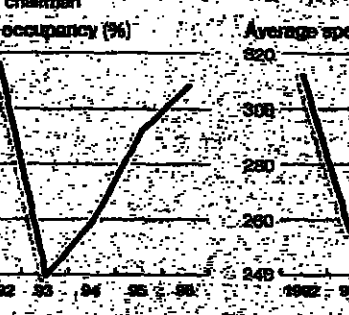
Philippe Bourgoignon, former chairman



Visitors (m)



Gilles Pélissier, present chairman



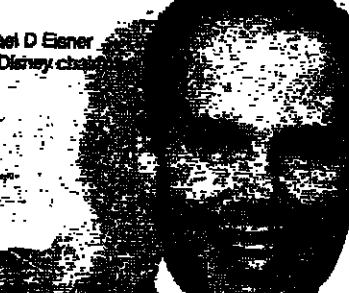
Hotel occupancy (%)



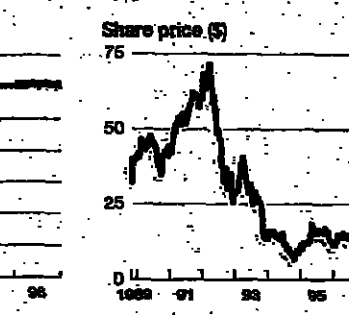
Michael D Eisner, Walt Disney chairman



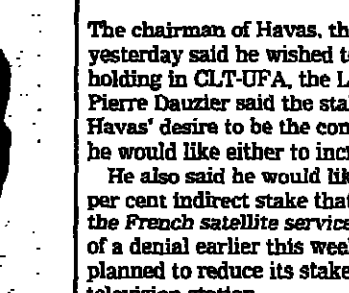
Average spend per visitor (FFr)



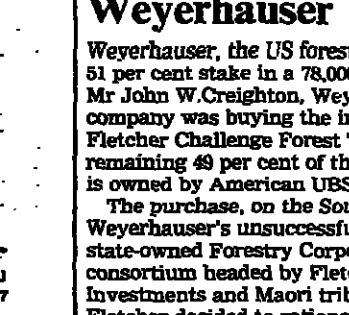
Gilles Pélissier, present chairman



Net profit (FFr bn)



Gilles Pélissier, present chairman



Share price (\$)

Disney, including tax concessions, the costs of developing infrastructure, and a substantial loan from the state-owned Caisse des Dépôts et Consignations.

Yet by December 1994, officials calculated that the revenues received from the park had exceeded the initial investment by the public sector, with Euro Disney contributing considerable sums each year through local taxes and VAT receipts.

The park has also acted as a focus for employment and growth in the region. According to the latest figures produced by the local development agency for 1996, Euro Disney generated 27,000 jobs indirectly in addition to the 10,000 on its own payroll, made purchases of FF1.1bn (\$963m), paid taxes of FF1.2bn and had an overall economic impact of FF1.5bn.

Financially, the company's own performance has been more mixed. Heavy debt charges and disappointing levels of hotel occupancy and expenditure per visitor helped drag it into losses of FF5.3bn in its first full year

of operation in 1993, pushing it towards an extensive restructuring with its bankers.

Fears that the park might close triggered widespread cancellations by visitors, pushing down overall attendance substantially during 1994. It was only in 1995, with the full effects of its refinancing in place, that the company crept back into profit.

For Disney, which owns 39 per cent of Euro Disney after the restructuring, the downside has been relatively limited. The substantial royalty and management fees it levies on the park have been suspended, but will come back from 1999.

For the group's lenders, nursing total borrowings of some FF1.6bn, the costs have been more significant, although several of its bankers claim privately to have more than recouped the penalties of deferred interest through commissions made during the early stages of the project.

The real victims of the last few years have been Euro Disney's 200,000 shareholders, many of them individuals who in 1989 invested considerable sums in a widely

trumpeted public offering at FF72 a share, at a time of stock market euphoria and confidence in Disney's reputation.

Nearly eight years later, their holdings have been diluted by the restructuring, and they have seen the value of their investment plummet and then stagnate, closing yesterday at FF10. Despite two years of profits, there is still no prospect of a dividend.

Even such sophisticated shareholders as Prince Al-Waleed, the Saudi Arabian investor who took a 24 per cent stake in the park during its restructuring in 1994, has seen no return on his investment.

Euro Disney's employees have also borne a heavy burden. Their numbers dropped from a peak of more than 16,000 in 1993 to a low of less than 9,400 in 1995, subsequently rising gently in response to growing visitor numbers.

A previously high staff turnover has been sharply reduced, levels of hierarchy cut back and more responsibility delegated.

Mr Philippe Bourgoignon, who joined Euro Disney in

1988 and steered it through its most difficult period as chairman from 1993, will not be at today's celebrations, after resigning in February to take on a new challenge: the turnaround of the French holiday group Club Méditerranée. Mr Xavier de Mézac, finance director, also left at the start of this year.

As a result, Euro Disney needs to hire a new finance director, as well as a chief operating officer to replace Mr Gilles Pélissier, who has been installed as the new chairman only two years after joining the company.

The company also faces a financial challenge of which it has made no secret: 1997 is a crucial year, with the incorporation of charges which were deferred at the time of the refinancing, totalling an extra FF200m.

Few analysts expect these costs to cripple the park operationally. The bigger concern is how to continue to build momentum at a time of competition from a growing number of European rivals, and as Euro Disney is strait-jacketed by the constrictions imposed by its bankers and its parent.

INTERNATIONAL NEWS DIGEST

Havas aims to lift CLT-UFA stake

The chairman of Havas, the French media group, yesterday said he wished to restructure his 10 per cent holding in CLT-UFA, the Luxembourg media group. Mr Pierre Daudier said the stake was incompatible with Havas' desire to be the controlling shareholder, and that he would like either to increase it or sell it.

He also said he would like to see a reduction in the 2 per cent indirect stake that Havas holds via CLT in TPS, the French satellite service. His comments come in spite of a denial earlier this week by CLT of reports that it planned to reduce its stake in TPS as well as M6, a French television station.

Andrew Jack, Paris

Weyerhaeuser buys NZ forest

Weyerhaeuser, the US forestry group, has paid \$185m for a 51 per cent stake in a 78,000ha plantation in New Zealand. Mr John W. Creighton, Weyerhaeuser president, said the company was buying the interests of a subsidiary of Fletcher Challenge Forest, Tasman Forestry. The remaining 49 per cent of the plantation softwood forest is owned by American UBS Resource Investments.

The purchase, on the South Island, follows Weyerhaeuser's unsuccessful bid last year for the former state-owned Forestry Corporation, which was sold to a consortium headed by Fletcher Challenge, Brierley Investments and Maori tribal interests. After that deal, Fletcher decided to rationalise its New Zealand forestry interests and to concentrate on its Central North Island forests, which include the plantations formerly owned by the state-owned New Zealand Forestry Corporation.

Mr Paul Fowler, Fletcher Forests chief executive, said Weyerhaeuser had been keen to participate in the New Zealand industry and that their established industry position would bring wider market access and global knowledge to New Zealand.

Terry Hall, Wellington

Bank Berlin earnings fall 90%

Bankgesellschaft Berlin, Germany's sixth-largest commercial banking group, achieved its aim of breaking even last year, but earnings were down to only 10 per cent of the 1995 level. Net income fell from DM476m to DM47m (\$27.4m) as a result of high loan-loss provisions caused by severe problems in the Berlin property market, and company failures.

Bank Berlin is dipping into reserves to find the extra DM240m needed to pay an unchanged dividend of DM1.10 a share in the expectation that earnings will stabilise this year.

The group, formed in 1994 from a merger of the city's main municipal and private-sector banks, said operating profits before risk provisions were 5.6 per cent higher at DM1.7bn. However, after provisions for the significant increase in risk exposure, operating profits were down 68 per cent to DM355m. Total assets were 20 per cent higher at DM397.5bn.

Andrew Fisher, Frankfurt

Italian bank chief dies

Mr Enrico Beneduce, joint managing director of Banca Commerciale Italiana, one of the country's largest privatised sector banking groups, died yesterday aged 57. Mr Beneduce, who spent all his working life with BCI, was appointed joint managing director after the bank was privatised three years ago. The Milan bank is due to hold its annual meeting at the end of this month to elect a new board.

Paul Betts, Milan

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the index.

NATIONAL AND REGIONAL MARKETS										WEDNESDAY APRIL 9, 1997										DOLLAR INDEX																		
Figures in parentheses show number of lines of stock										Figures in parentheses show number of lines of stock										Figures in parentheses show number of lines of stock																		
	US Dollar	Day's Change	Pound Index	Yen Index	DM Index	Local Index	Local % chg	Gross Div. Yield		US Dollar	Day's Change	Pound Index	Yen Index	DM Index	Local Index	Local % chg	Gross Div. Yield		US Dollar	Day's Change	Pound Index	Yen Index	DM Index	Local Index	Local % chg	Gross Div. Yield		US Dollar	Day's Change	Pound Index	Yen Index	DM Index	Local Index	Local % chg	Gross Div. Yield			
Australia (58)	217.66	-0.1	196.89	147.89	194.47	185.49	-0.1	4.10		217.66	196.89	147.89	194.47	185.49	185.25	125.77	188.44	201.00		217.66	196.89	147.89	194.47	185.49	185.25	125.77	188.44	201.00		217.66	196.89	147.89	194.47	185.49	185.25	125.77	188.44	201.00
Canada (19)	217.66	-0.1	196.89	147.89	194.47	185.49	-0.5	1.85		217.66	196.89	147.89	194.47	185.49	185.25	125.77	188.44	201.00		217.66	196.89	147.89	194.47	185.49	185.25	125.77	188.44	201.00		217.66	196.89	147.89	194.47	185.49	185.25	125.77	188.44	201.00
France (26)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.1	3.54		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
Germany (26)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
Italy (58)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
Japan (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
Netherlands (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
Spain (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
Sweden (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
Switzerland (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
United Kingdom (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
U.S. (58)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70
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World (19)	230.47	-0.2	210.38	185.73	205.21	201.40	-0.2	1.06		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73	205.21	201.40	201.54	241.54	205.89	208.70		230.47	210.38	185.73						

Suez and Lyonnaise boards agree merger

By Andrew Jack in Paris

The boards of Suez and Lyonnaise des Eaux yesterday approved the terms of a merger which will create a combined group focused on utilities. The new group would have a turnover of FF210bn (\$35bn) and be one of France's largest quoted companies with a market capitalisation of more than FF70bn.

It would have four main activities - energy, water, waste disposal and communications. The strategy pushes into a secondary role activities including financial services which was a core area for Suez.

If investors approve the deal at annual general meetings in June, they will receive 20 Lyonnaise shares in exchange for each of the 41 Suez shares they hold. Suez will also pay its shareholders an exceptional cash dividend of FF3.6bn

in advance of the merger.

Mr Gérard Mestrallet, Suez chairman, will take charge of a four-person executive, including Mr François Jacot from Suez and Mr Guy de Panafieu and Mr Philippe Brongliart from Lyonnaise.

Mr Jérôme Monod, Lyonnaise chairman, who will head a 20-member supervisory board for the merged group, said: "Suez-Lyonnaise des Eaux will rapidly become a model and a reference point, and will bring its shareholders the pride and satisfaction that they expect."

Mr Mestrallet rejected suggestions that the group would dispose quickly of its financial subsidiaries such as Sofino, Fortis, and its stake in Générale de Banque, stressing that they "will still for a long time have their place in the group".

He said the new group aimed to double its earnings per share within the next five years, and provide double-digit

turnover growth in each of its four principal activities over the same period. By 2001, the aim is to increase sales by 80 per cent, with half of the total coming from activities outside France and Belgium, compared with 20 per cent now.

The merger should bring management savings of FF200m a year, and the debt of the combined group will stand at 46 per cent of shareholders' funds.

Among those absent from the supervisory board is Mr Jean-Louis Boffa, chairman of the French industrial materials group Saint-Gobain, which would have a 4 per cent stake in the combined group. He decided not to stand as a director after concerns that this role would conflict with his position on the board of Générale des Eaux, the leading rival French utilities group.

See Lex

Ajinomoto head quits over claims of gangster pay-offs

By Michio Nakamoto in Tokyo

The continuing scandal of links between top Japanese companies and corporate racketeers claimed another victim yesterday when the president of Ajinomoto, Japan's largest processed foods maker, resigned to take responsibility for alleged pay-offs.

The move by Mr Shunsuke Inamori follows last month's indictment of two Ajinomoto officials on charges of paying *sokaia* gangsters ¥6m (\$48,000) to ensure a company board meeting went smoothly.

He is the latest Japanese company head forced to step aside because of unseemly corporate behaviour.

Last month Mr Hideo Sakamaki, former president of Nomura Securities, resigned to after payments allegedly made by the company to *sokaia*.

Other recent resignations include the president of Takashimaya, the luxury department store, the president of Ito Yokado, a supermarket chain, and Kirin Brewery. All three were also involved in *sokaia* pay-off scandals.

Mr Inamori will have been president of Ajinomoto for two years when he steps down in June. Mr Saburotsuke Suzuki, honorary chairman, and Mr Yasuhiko Yasuda, chairman, will also step down from the Ajinomoto board in a bid to improve the company's image and restore morale. Both are members of the Ajinomoto founding family.

The recent revelations of close links between blue-chip companies and *sokaia* have undermined public trust in corporate Japan and led to calls for greater enforcement of corporate ethics.

Payments to *sokaia* were made illegal under Japan's commercial code in 1982. But the large number of companies caught making payments in exchange for promises not to disrupt shareholders' meetings highlights how deep-rooted the practice still is.

THE LEX COLUMN

Swallowing Suez

Tricolours may be waving to celebrate the birth of a new French business giant, but fans of industrial logic are unlikely to be joining in the fun. Combining two conglomerates - Lyonnaise des Eaux and Compagnie de Suez - risks creating an even bigger one. And the overlap is footling, which is why a mere FF200m (\$34.5m) in cost savings is promised.

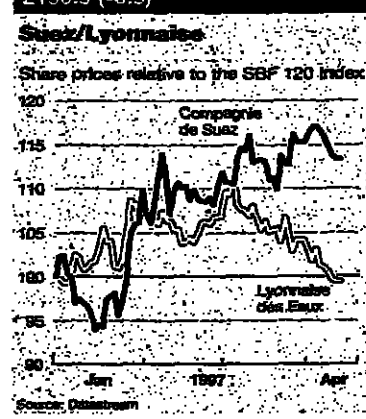
Ah yes, say enthusiasts, but there should also be benefits from pooling cash-rich Suez with debt-laden Lyonnaise, helping Lyonnaise to finance its ambitions overseas. But so what? Lyonnaise could perfectly well have raised cash from its own shareholders. The only difference under the merger - and not a reassuring one - is that Lyonnaise does not have to persuade investors that its international plans make financial sense.

Still, Suez shareholders can console themselves; for them, the deal is better than nothing. It remains a dire fact that control of Suez is being handed over at a discount of 15 per cent or more to theoretical break-up estimates. Nevertheless, as news of the plans has been gradually leaked, Suez shares have outperformed - a refreshing change - by 13 per cent this year.

For Lyonnaise shareholders the proposition is altogether riskier. If the merged company acts quickly, paring itself down more aggressively than either of its predecessors would have done, all should be well. And talk of just a few core businesses - energy, water, waste and communications - is an encouraging sign. But the company's vagueness about the fate of the rest of its extensive portfolio is less so. The new company has yet to prove it has a credible purpose. Shareholders must simply pray that the financial strength they have endowed it with does not dilute the sense of urgency.

Germany

Germany has high taxes and a reviving economy, yet its government is running short of revenue. Baden-Württemberg, one of the most prosperous states, has reported that its tax income in the first quarter of 1997 was more than 10 per cent below budget. Its state finance minister believes other states and the federal government are experiencing similar shortfalls. This has serious implications for the country's struggle to get its budget deficit below the 3 per cent

FTSE Eurotrack 200:
 2196.9 (-0.9)


ceiling required for economic and monetary union. While the government is sticking to its forecast of a 2.9 per cent deficit for 1997, most private forecasters expect it to be at least 3.4 per cent. The half point difference is worth roughly DM15bn (\$10.4bn).

To raise such a sum will almost certainly require a supplementary budget, though Mr Theo Waigel, the finance minister, has so far resisted calls for one. His problem is that any spending cuts he proposes will be fiercely resisted by his Liberal coalition partners. That may explain Mr Waigel's indecision, but it does not excuse it. It looks increasingly unlikely that Germany will meet the EMU criteria, strictly read, on time.

UK house prices

From the vantage point of a Nottingham wine bar, it may indeed look as if an eighties-style housing boom is again under way. You have just banked your record City bonus. London has been declared the world's sexiest city, and the Halifax housing survey tells you that house prices in the capital are up 17 per cent year-on-year. London, however, is an aberration, not a leading indicator. At the national level prices are up by a more modest 7.2 per cent, barely changed from the previous quarter.

Factors such as the high portion of foreign buyers, record bonuses and the shortage of new houses make London unrepresentative. But trends in disposable income - historically the key determinant of demand - present even more powerful

grounds for caution. The mid-Eighties boom was fuelled by a number of years in which real personal disposable income was growing by as much as 6% per cent a year. Now that figure is only 2.3 per cent, and has barely been positive for 18 months. Moreover, with economic stability now a policy Holy Grail, politicians are likely to act much sooner to curb excess than in the Eighties. The scrapping, after the election, of mortgage interest tax relief would, of course, represent one such step.

Those intent on forecasting should avoid London and focus rather on the South East, where prices are rising at 9.1 per cent. When that figure is double digits and growing steadily, that will be the time to blow the whistle.

UK supermarkets

The UK's big supermarkets are talking loudly about the potential for home shopping, but have yet to put their money where their mouth is. In theory, up to 20 per cent of their shoppers are interested in ordering from home and having goods delivered. But so far, Iceland is the only retailer to commit to developing a nation-wide home delivery service, and this is a hybrid - consumers still have to select the goods in the store.

The reason for caution must be that home delivery is as much a threat as an opportunity. The big food retailers have an oligopoly, albeit a highly competitive one. There is a huge cost to store development and brand building, and few planning permits for big stores. In a virtual world, however, the store could become redundant. And even in the current world, if you can order durable goods over the telephone or fax machine, and pay a limited delivery charge, it should not matter where the goods come from. That would do little for valuations of their vast store portfolios.

In reality, however, supermarkets will retain significant advantages. Their brands, distribution systems, buying power and consumer knowledge will be hard to replicate. And most customers will always want to visit a store. So long as they control the process, there should be little competitive risk if they develop a relatively cheap and easy alternative to conventional shopping. But while they are making a small research and development investment, the final product launch looks remarkably distant.

Russia gives Gazprom one month to agree shake-up

By John Thornhill in Moscow

The Russian government has given the gas monopoly Gazprom one month to agree to a restructuring, possibly involving a break-up.

Gazprom's domestic shares fell 4 per cent in early trading yesterday as investors worried about the ultimatum. However, Gazprom moved quickly to calm investors' concerns saying broad agreement was reached at a meeting on Thursday between Mr Rem Vyakhirev, chairman, and Mr Anatoly Chubais, the reformist first deputy prime minister.

Gazprom said that within a month it would propose steps to restructure the industry, increase foreign investment, and disentangle itself from its many debts. Shares recovered some of their early losses as investors questioned how radical the government could be without endangering the industry's stability.



Reformist Anatoly Chubais

The battle over Gazprom is seen in Moscow as part of a broader struggle over economic reform, re-igniting the conflict between westerners and "Slavophiles".

A group of young reformers, including the two first deputy prime ministers, Mr Chubais and Mr Boris Nemtsov, is driving for a more open, western

style of capitalism. The group has grown increasingly bold in threatening to strip Russia's biggest company of its privileges, arguing it does not pay its fair share of taxes and is distorting the development of the economy.

However, this is being resisted by older, more nationalist-minded politicians, including Mr Victor Chernomyrdin, prime minister and former Gazprom chief, who argue for the preservation of strong national champions.

The Argumenti i Fakti newspaper forecast such differences could lead to the emergence of a new fault line in Russian politics, with Mr Chernomyrdin associating himself more closely with the "Slavophiles".

The uncertainties leave Gazprom with problems of how to present itself to the west as it continues to woo foreign portfolio investors and prepares to publish financial accounts in June.

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Markets latest

FTSE 100	4270.7	(-42.9)	FTSE Eurotrack 100	2170.87	(-0.73)
FTSE All-Share	2070.87	(-0.99)	Nikkei	17946.88	(-361.25)
New York: S&P 500	9491.19	(-88.88)	Dow Jones Ind Ave	746.08	(-12.28)
3-1/2 Compote	64.1%	(Jun 100)	3-1/2 Compote	64.1%	(Jun 100)
Life long gilt	Jun 100	(Jun 100)	Life long gilt	Jun 100	(Jun 100)
US LUNCHTIME RATES			US LUNCHTIME RATES		
Federal Funds	5.1%		Federal Funds	5.1%	
3-m Treas Bill: Yld	5.275%		3-m Treas Bill: Yld	5.275%	
Long Bond	6.5%		Long Bond	6.5%	
Yield	7.172%		Yield	7.172%	
NORTH SEA OIL (Argus)			NORTH SEA OIL (Argus)		
Brent Dated	\$17.45 1/2	(17.22)	Brent Dated	\$17.45 1/2	(17.22)
Gold			Gold		
New York ComexDec	\$348.5	(\$48.15)	New York ComexDec	\$348.5	(\$48.15)
London	\$348.05		London	\$348.05	

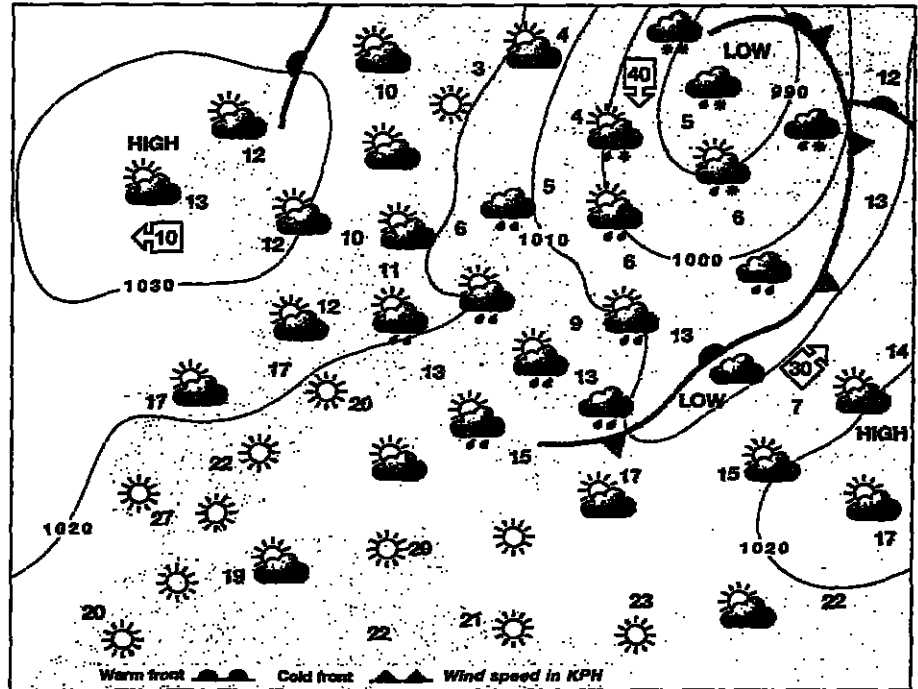
FT WEATHER GUIDE

Europe today

High pressure centred over Ireland will bring fair conditions to the British Isles. The Benelux, Germany and northern France will have mild sun and cloud with a fresh to strong north-westerly wind. Southern France and the Iberian peninsula will be sunny. Showers will occur in the Alps and southern Italy, while sunny periods are expected for northern Italy. Most of the Balkans will have showers or rain, but Greece will be mainly dry with sunny periods. Low pressure will cause rain and snow showers in eastern Europe and Russia, where near gale force winds are expected.

Five-day forecast

High pressure will remain stationary over Ireland bringing fair conditions to the UK and western Europe. The western Mediterranean will also be settled. Low pressure will keep eastern Europe unsettled with plentiful rain, snow and strong winds.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES		TODAY'S TEMPERATURES	
Maximum	Minimum	Maximum	Minimum
Abu Dhabi	sun 24	Abu Dhabi	sun 24
Accra	sun 26	Accra	sun 26
Algiers	sun 22	Algiers	sun 22
Amsterdam	sun 18	Amsterdam	sun 18
Athens	sun 17	Athens	sun 17
Atlanta	sun 24	Atlanta	sun 24
B. Aires	cloudy 26	B. Aires	cloudy 26
B. Ham	cloudy 26	B. Ham	cloudy 26
Bangkok	sun 37	Bangkok	sun 37
Barcelona	sun 19	Barcelona	sun 19
Cape Town	sun 19	Cape Town	sun 19
Cardiff	sun 12	Cardiff	sun 12
Casablanca	sun 13	Casablanca	sun 13
Chengdu	sun 21	Chengdu	sun 21
Cologne	sun 18	Cologne	sun 18
Dakar	sun 25	Dakar	sun 25
Dallas	sun 32	Dallas	sun 32
Dubai	sun 30	Dubai	sun 30
Dublin	sun 10	Dublin	sun 10
Dubrovnik	sun 22	Dubrovnik	sun 22
Edinburgh	sun 23	Edinburgh	sun 23
Faro	sun 29	Faro	sun 29
Frankfurt	sun 11	Frankfurt	sun 11
Geneva	sun 15	Geneva	sun 15
Gibraltar	sun 20	Gibraltar	sun 20
Glasgow	sun 12	Glasgow	sun 12
Hamburg	sun 23	Hamburg	sun 23
Helsinki	sun 18	Helsinki	sun 18
Hong Kong	sun 32	Hong Kong	sun 32
Honolulu	sun 28	Honolulu	sun 28
Istanbul	sun 17	Istanbul	sun 17
Jakarta	sun 31	Jakarta	sun 31
Jersey	sun 17	Jersey	sun 17
Karachi	sun 34	Karachi	sun 34
Kuwait	sun 24	Kuwait	sun 24
L. Angeles	sun 19	L. Angeles	sun 19
Las Palmas	sun 24	Las Palmas	sun 24
Lima	sun 26	Lima	sun 26
Lisbon	sun 24	Lisbon	sun 24
London	sun 12	London	sun 12
Luembour	sun 11	Luembour	sun 11
Lyon	sun 13	Lyon	sun 13
Madeira	sun 20	Madeira	sun 20
Madrid	sun 22	Madrid	sun 22
Manila	sun 18	Manila	sun 18
Medan	sun 20	Medan	sun 20
Melbourne	sun 12	Melbourne	sun 12
Moscow	sun 23	Moscow	sun 23
Mumbai	sun 26	Mumbai	sun 26
Muscat	sun 27	Muscat	sun 27
Nairobi	sun 17	Nairobi	sun 17
Nagasaki	sun 15	Nagasaki	sun 15
Nassau	sun 16	Nassau	sun 16
New York	sun 19	New York	sun 19
Nice	sun 26	Nice	sun 26
Nicosia	sun 24	Nicosia	sun 24
Oslo	sun 12	Oslo	sun 12
Pairs	sun 11	Pairs	sun 11
Perth	sun 22	Perth	sun 22
Prague	sun 10	Prague	sun 10
Rangoon	sun 20	Rangoon	sun 20
Reykjavik	sun 10	Reykjavik	sun 10
Rome	sun 17	Rome	sun 17
S. Francisco	sun 17	S. Francisco	sun 17
Saudi	sun 17	Saudi	sun 17
Singapore	sun 32	Singapore	sun 32
Stockholm	sun 13	Stockholm	sun 13
Strasbourg	sun 14	Strasbourg	sun 14
Sydney	sun 23	Sydney	sun 23
Taipei	sun 21	Taipei	sun 21
Tel Aviv	sun 18	Tel Aviv	sun 18
Tokyo	sun 17	Tokyo	sun 17
Toronto	sun 2	Toronto	sun 2
Vancouver	sun 13	Vancouver	sun 13
Verona	sun 15	Verona	sun 15
Vienna	sun 8	Vienna	sun 8
Warsaw	sun 6	Warsaw	sun 6
Washington	sun 21	Washington	sun 21
Wellington	sun 14	Wellington	sun 14
Winnipeg	sun 3	Winnipeg	sun 3
Zurich	sun 11	Zurich	sun 11

No other airline flies to more cities in Eastern Europe.

Lufthansa

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CORPORATE FINANCE

acted as
financial advisor
to

Hicks, Muse,
Tate & Furst
Equity Fund III, L.P.

has successfully
completed its
£129 million
recommended
offer for

Hicks, Muse,
Tate & Furst
Equity Fund III, L.P.

Price Waterhouse

acted as
financial advisor
to

Forward
Group PLC

Forward Group PLC

This announcement appears as a matter of record only.



An athlete's gamble

'If Ladejo succeeds in the decathlon then he'll be looking at prodigious earning power. But at the moment it's zero.'

Page IX



Sizzling climax

'After a great season, it has become a battle to keep skiing conditions as good as possible for as long as possible.'

Page XVIII



Rural charms

'You buy your country dream house. Then one morning a tractor appears in the field outside your window...'

Page XIV

The enemy within

Christian Tyler reports on how cold war spy tactics are being adapted to big business

When José Ignacio López, head of purchasing for General Motors, secretly met the chairman of rival Volkswagen over lunch in Frankfurt, he was struck by how much the two men had in common. It was one of the reasons, López later said, why he accepted VW's generous offer to join them.

What López did not know was that the man across the table, Ferdinand Piëch, two months before, had ordered VW's head of research to get a psychological profile of López, describing his background, character, strengths, weaknesses, likes and dislikes.

The defection of López to VW four years ago, along with colleagues from his team at Adam Opel, GM's German subsidiary, led to one of the biggest industrial espionage lawsuits of the decade.

According to the German prosecutors, the GM people brought more than expertise with them: they allegedly took 4,000 pages of computer print-out listing the 60,000 separate motor parts that Opel was buying, suppliers, prices, terms and delivery schedules. It was as if Opel had been stripped naked in the marketplace.

The targeting and seduction of Opel's purchasing chief could have come straight from a spy thriller. Its climax, the final struggle for his allegiance, was when he was invited by GM to a press conference in Detroit to announce his promotion to head GM's American operations. He duly drove to the airport - and defected to the German company.

No boss can have read the López story without feeling a clutch of fear. Attacks from outside are one thing; betrayal from within quite another.

The ramifications of the affair are still being investigated, though a civil suit was settled in January, when VW agreed out of court to pay \$100m in damages to GM and to buy \$10m worth of parts from it over the next seven years.

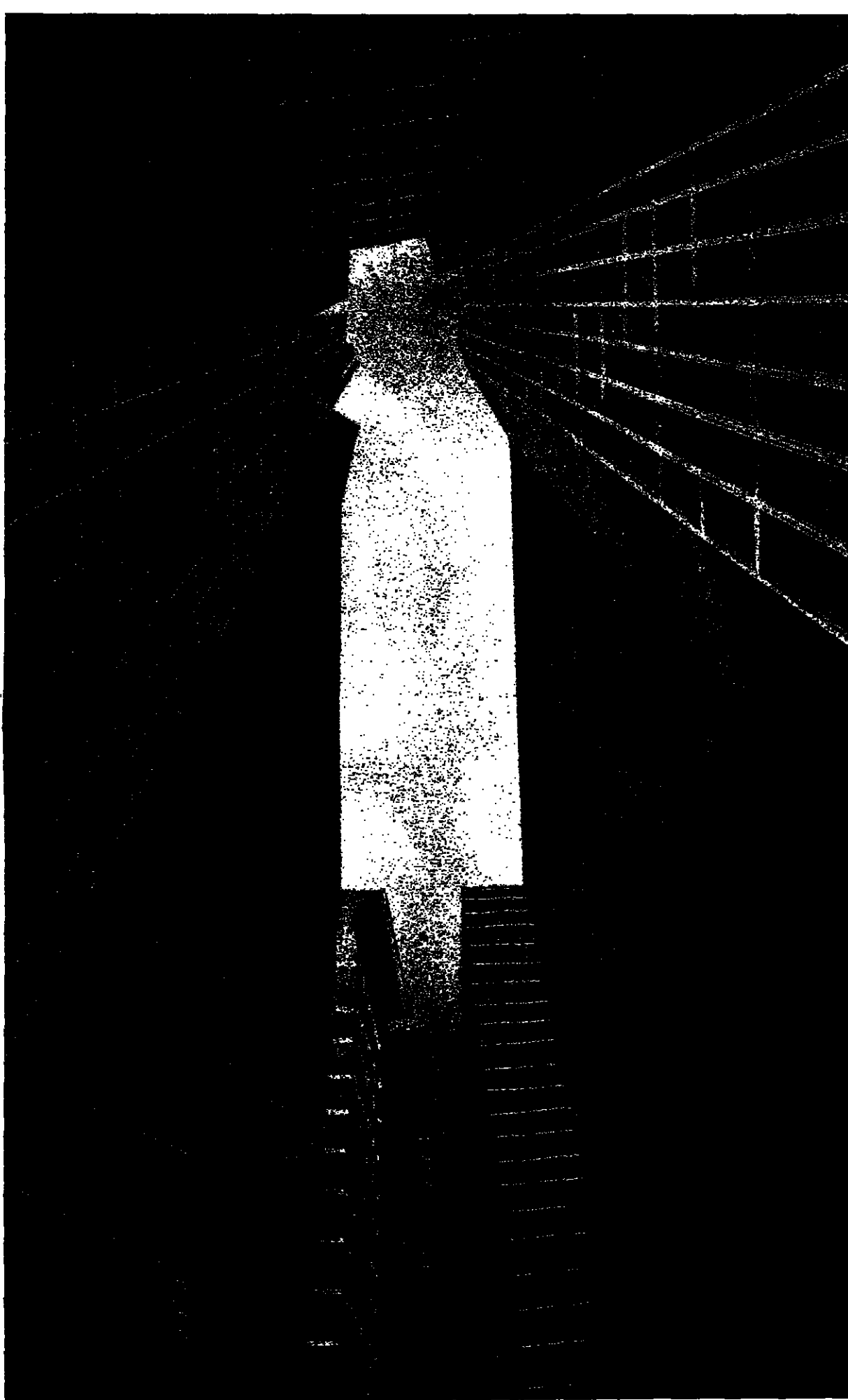
López and his friends were not spies, and comparisons with the cloak-and-dagger world of cold war espionage can be misplaced. Yet, to a commercial superpower like GM the loss of a senior executive must feel as painful as any act of cold war treason.

The US administration is certainly taking it seriously: the Economic Espionage Act, passed late last year, creates a federal offence punishable by 25 years in jail or a \$25,000 fine for individuals, and up to \$10m for companies.

The familiar techniques of flattery and corruption have found a new outlet, and hundreds of former intelligence personnel a profitable niche, in the borderless world of international commercial competition. Even the simplest tricks from the spy manual have been revived.

Last year, for example, private investigators employed by Kvaerner, the Norwegian engineering group, rummaged through dustbins at the Dorset home of a former chief executive of its recently acquired British business, Davy International.

If such things can happen



in long-established companies, they can happen anywhere. And they do.

According to a corporate investigator who has worked frequently in Spain, some local companies there use family and friends to purloin product designs from foreign investors.

"The Spanish still feel themselves to be a third world country," explained Peter Lilley of Carratu International, "and they don't want to be. They want to get ahead in a hurry. The same goes for Italy."

The chaotic Russian market, where the distinction between businessman and crook can be a fine one, has been a gift to the consultancy business. And the

local talent knows it: a group of former KGB officers even advertised their services in the Wall Street Journal.

Foreign businessmen in Russia today can easily find themselves renting studios or offices from front companies of the Foreign Intelligence Service or the monitoring service FAPSI.

Apart from some spectacular defections, Russia's cold war intelligence was crude: many of the so-called secrets, *razvedka*, which KGB agents sent back, were publicly available in the west.

But it was the Soviet government in the late 1970s which showed the way in industrial espionage, espe-

cially in defence and computer equipment.

Richard Perle, the former US assistant defence secretary, used to give a slide show at the Pentagon: each picture of American weaponry would be followed by one of the pirated Soviet version, so similar as to provoke stifled mirth in the briefing room.

The peacetime threat today is perceived to be from China, hungry for technology and often heedless of western concepts of intellectual property. Here the danger is that companies will find themselves unwittingly doing business with the People's Liberation Army, via one of its network of front companies dedicated to

boosting military knowhow and profits.

China has more agents in the US than the KGB did at its peak, according to John J. Fialka, author of a forthcoming book, *War by Other Means*, on economic espionage in the US.

In many parts of Asia, he writes, entire hotels are set up for eavesdropping and every outgoing phone call is bugged. No accusation of state complicity has been made against Japan, however. It is not necessary: according to security experts, all Japanese company employees are routinely trained to keep their eyes and ears open.

This technique can get out of hand: workers in a subsid-

ary of the US pharmaceutical company Johnson & Johnson were given "Inspector Clouseau" and "Columbo" awards for snooping on competitors, complained Boehringer Mannheim, a German rival, in a US court last year.

All governments, of course, are interested in economic intelligence; but the line between that and commercial espionage is not an easy one to draw.

The German government confirmed this week that the US had recalled one of its diplomats from Bonn for alleged improper activities. The German magazine *Der Spiegel* had earlier reported that the diplomat was trying to prise high-technology secrets from an official in the economics ministry.

In the US and Britain - where a third of embassy work is now commercially related - ministries have strict rules about not passing on information to national companies. The French, who first alerted the US to Soviet technological penetration after capturing a KGB spy they codenamed "Farewell", are among the few to admit that such things go on.

They had to. In 1981, two men were seen outside a mansion in a Houston suburb heaving rubbish into the back of a van. The van was traced to the French consulate.

Pierre Marion, former head of France's secret service, the DGSE, was forced to admit that he had set up a section to spy on American companies. "When it comes to economic and technological competition," he said, "we are competitors."

A lot of people are trying to find out what others are up to. On the edge of Belgravia, one of London's most fashionable areas, stands a shop called Spycatcher.

Recently bought by the businessman Peter Cadbury, it sells a range of amusing gadgets. There are transmitters concealed in fountain pens and pocket calculators, in electric plugs and telephone jacks, even in vacuum flasks and ice buckets.

Mike Phillips, the shop's manager, an American who used to work in Silicon Valley, says Spycatcher exports 85 per cent of its hardware to the Middle East, south-east Asia and Russia and to other countries where these gadgets are illegal.

But neither he nor anyone else in the surveillance business really knows how much commercial spying goes on. A lot of the eavesdropping is done, perfectly legally, by managers listening in to their own staff. "All I know is there is a lot of equipment sold," said Phillips.

It is, of course, in the interest of equipment suppliers and corporate consultants to maximise the dangers that companies face. "All companies are paranoid about their own security," said the spokesman of one well-known British multinational. "They don't seem to mind paying consultants to tell them things they know already."

Yet all agree that the field of "competitive intelligence", as it is politely termed, is an expanding one. The privatisation of whole economies, the deregulation of monopoly markets, the globalisation of business, the spread

of foreign investment and contested takeovers, the proliferation of technology and the sheer volume of information - all have made companies more aggressive, and more vulnerable.

Books are written about the new science and degrees are earned in it. One successful author is Douglas C. Bernhardt, whose *Perfectly Legal Competitor Intelligence* is just about to be reissued by FT Pitman.

Bernhardt runs Business Research Group, a consultancy in Geneva, which advises large companies. Bernhardt stressed that his bureau does not obtain information by underhand

means, "The issue of ethics is very important, but I don't think there are universal rules any more," he said.

Bernhardt is a former arms dealer who, in October 1981, was convicted in Paris, along with three Ulster loyalists, who were trying to sell parts of a dummy British "Blowpipe" missile to a South African diplomat. He was fined FF100,000 and given a three-year suspended jail sentence.

A consultant called in to investigate a theft may find himself pitted against another. In order to sanitise the business, a professional association called the Society of Competitive Intelligence Professionals has been set up.

Its 5,000 members are meant to follow a code which vaguely urges them to obey the law, identify themselves when asking questions, and avoid "unethical practices".

SCP is influenced by the Association of Former Intelligence Officers, a group described as "very powerful" by André Pinaar, a young manager at the corporate investigators Kroll Associates who has written a doctoral thesis on business and intelligence.

"Company information has become very valuable," he said, "more valuable than physical assets."

Protecting that information is becoming ever more difficult. It is not just the tappers, buggers and hackers who are the problem, however. The problem is the loyalty - or lack of it - of employees in a world of short contracts, rapid turnover and big inducements.

Tony McStravick, former acting head of the Metropolitan police Fraud Squad in London, has worked for Kroll and is now at Control Risks Group. "It all comes down to management in the end," he said. "Companies have lost the hearts and minds of their employees because of performance pay, delayering, downsizing."

"You have to have a culture of honesty, from the top down. You must find the balance between maximising profits and being fair and honest. A lot of the time, companies forget they are dealing with human beings."

The loyalty lesson has been driven home painfully to General Motors. "You just cannot protect yourself against this kind of thing," said Horst Borghs, a board director of Adam Opel, this week. "Of course, you can protect sensitive areas like the design centre with cards and checks, but what can you do if a high-level executive is involved? You have to trust them."

A spin-doctor writhes:

“THE SEA OF CELL-
PHONES PARTED AND
THERE, CENTRE STAGE,
WAS MR. MANDELSON.

Michael Horsley, WRITHING LIKE
Tory candidate for
Hartlepool, sheds some
light on how Labour's
Prince of Darkness lets
his hair down. Only in
The Spectator, not today.
FOLLOWERS
IN A FRENZIED VERSION
OF THE MACARENA.”

This week's contents and columnists

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Joe Rogaly

Lives taken in vain

'It is easy to distress a male tree shrew. You let it see a bigger rival in the cage next door.'

Page III

Arcadia

Underground Eden

'In utter darkness, fragrances wafted through the tunnel - sweet basil, thyme and rosemary.'

Page XXIV

THE SPECTATOR

Takes political spin and smacks it over the boundary ropes of comment.

PERSPECTIVES

Minding Your Own Business

Beds fit for king, queen and countrymen

Grania Langdon-Down on a company making new heirlooms for a grand price

They come with legs or casters, with drawers or ottoman chests underneath, as bunks, futons, convertible sofas, with headboards of wood, metal or button-down draylon.

But the grandest of all come with a post at each corner. Hotels know the value of a room with a four-poster bed and invariably charge a premium rate for it. But paying the equivalent of a small or medium-sized car for a four-poster at home can seem a hefty price, even if we do spend a third of our lives in bed.

This is one of the hurdles faced by Beadesert, a small company making four-poster beds mostly based on 18th century originals, for which they charge between £6,000 and £15,000.

"People complain about the cost. But I say, that is why everyone does not have one. They are meant to be heirlooms," explains designer Andrew Ginger, one of two partners of Beadesert, Interior Designers & Makers of Fine Beds.

One potential customer still making up her mind whether to invest in such an heirloom is the Queen of Denmark. She is considering buying one for a wedding present for her son after trying out a display bed.

"I had no idea who she was. When she asked how much the beds cost, I asked her to write down her name and address so I could send her the details. She handed a pen to the lady with her to write it down. I felt very

stupid when I read Her Majesty Queen Margaret of Denmark. I have had a few faxes since from her lady-in-waiting but nothing definite," Ginger says.

Another well-known customer is pop singer Elton John. He has one in the guest room of his Windsor home.

But it is more usual for Beadesert to sell to other interior designers. Ginger has just embarked on the design of three beds for Nina Campbell, an interior decorator, for a Scottish castle she is working on for a 'Texan oil

'It is important to keep moving forward - it is too easy just to drift'

company. Beadesert's office cum showroom is in a light and airy unit open to its 25ft high roof, half of it glass, in a converted laundry in Battersea, south-west London, which houses a collection of interior design companies and related businesses.

Pride of place goes to the 9ft high display bed, with gilded carved ribbon spiralling up the mahogany bedposts to the pleated cream and red drapes. The rest of the unit is taken up by a wall of material samples, an architect's drawing board and simple black tables for the computers and printer.

Ginger sees customers there and works on his commissions, while his drawings of beds and interior designs brighten the walls.

Ginger acquired the name of Beadesert and the office furniture for about £2,000 at the end of 1992. After 15 years of trading, the original Beadesert had gone into receivership as business suffered during the recession. He started with a friend who had worked with him at the interior designers Colefax & Fowler, where they were both design assistants. After a year, the friend moved on.

However, Ginger, 33, who studied art history and architecture at Cambridge and is passionate about period interiors and furniture, realised he wanted to continue. "I asked Neil Gough, an old friend who works for an American chemical company in Hong Kong, to become a partner and he injected £15,000 capital. This meant we could move the business from the basement of a shop in Symonds Street, just off Sloane Square, to the Old Imperial Laundry in July 1994."

Gough, 36, does the books, generally by fax, and visits when he is in London. "He really enjoys being involved in a small business over which he has a large influence," Ginger said. As the beds are all made to order, the company only has to keep samples of the bedposts rather than large quantities of stock, although the material samples alone cost about £2,500. The main overhead is the annual £8,000 for



Financially sound sleeping: Andrew Ginger's customers include Elton John, possibly Her Majesty Queen Margaret of Denmark and a young Swiss couple. (Lynne van der Meer)

rent and rates for the unit. Ginger takes a small salary and profits are put back into the business. Gough has yet to take any profit share.

Beadesert did so well last year that it advertised for the first time, with three half-page displays in House and Garden magazine costing £12,000, and invested £2,000 in setting up a site on the Internet to show off its brochure. About 1,000 people logged on to it in the first three months.

Turnover, split about equally between the beds and other interior design work, has grown from £180,000 with profits of £8,000 in 1994-95 to £230,000 with profits of £15,000 in 1995-96.

The company's trading year starts in July and in the six months from July last year to Christmas, turnover was already £180,000 with profits up to £17,000.

Beadesert sells between 15 and 20 beds a year, about two-thirds to UK customers and a third to Americans or Europeans. Most are made from "farmed" mahogany, which comes from sustained forests in Indonesia, and the construction work is subcontracted out - the joinery is done in the Cotswolds, the carving in London, the horsehair, lambs wool and cotton pocket sprung mattresses, which cost about £1,300, made in Newbury and the curtains, involving about

65m of material, in Kent. Most people who buy the four-posters have large houses filled with antiques. One exception was a Swiss couple who ordered an ornate gilded four-poster draped in white silk and costing about £15,000 for their low-ceilinged, modern home in Switzerland.

"The husband wanted a mattress with no metal in it so it could not have any springs. It was made in the old-fashioned way entirely from horsehair. But it meant it needed beating and turning regularly," said Ginger. "I do not know whether it was language or expectations that caused the problems but it looked like being

our first had debt. However, they kept the bed and they eventually settled the full amount bar the cost of the mattress, which was about £2,000."

Some people take months to decide on one of the beds. Others know in an instant. "On one occasion, an eye surgeon from West Virginia, America, walked into the unit, looked at the bed we had on display and said 'this is the bed I have always wanted'. He wrote out a cheque for £9,000 for the bed, minus the curtains, on the spot."

After struggling to fit in seeing clients, answering the telephone, visiting auctions and installing beds on his

own, Ginger, accepted in March that he could no longer carry on singlehanded and took on an assistant.

"It is very hard after being so used to working on my own and being in control of everything. My tendency is to say we have made some money, let's stay as we are."

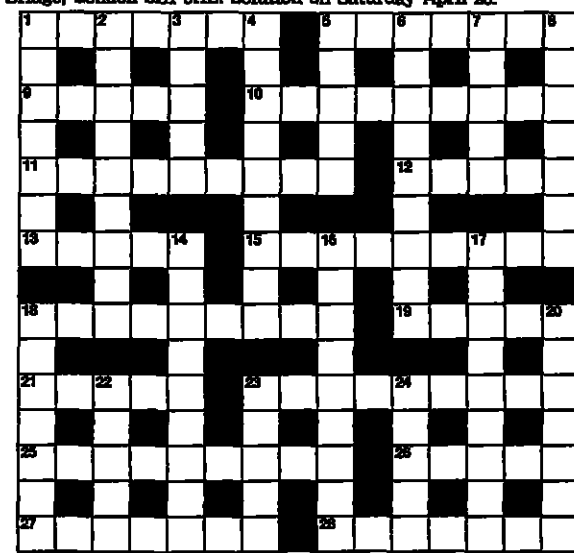
"Neil is the one always wanting to press ahead, saying it is now time to advertise, to have an employee, to expand. It is very important to keep moving forward otherwise it is too easy just to drift," Ginger said.

Beadesert, Old Imperial Laundry, Warriner Gardens, Battersea, London SW11 4XW. Tel: 0171-720 4977. Fax: 0171-720 4976.

CROSSWORD

No. 9,347 Set by DINMUTZ

A prize of a classic Pelikan Sovereign 800 fountain pen for the first correct solution opened and five runner-up prizes of £25 Pelikan vouchers. Solutions by Wednesday April 23, marked Crossword 9,347 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8UL. Solution on Saturday April 26.



Name: _____
Address: _____

- ACROSS**
- Short butcher's good simple chops? (7)
 - Assess shown on top of column (7)
 - City shrouded in mystery? (5)
 - Nursery victim of armed passivity (4,3)
 - Country home, we hear, of English humorist (9)
 - Beginner left in mountainous region (5)
 - Poet joining the old woman's service? (5)
 - Habit of counting up, to include century (9)
 - Celebrity in sergeants' mess? (9)
 - Bloomer, I call out! (5)
 - Times called in bars? (5)
 - Gloriana's favourite sheep (5)
 - Work in special construction, like a bishop (5)
 - Hill the road, painting on the way (5)
 - Dutch-born boy only? (7)
 - People involved with treble, say, almost identical types? (7)

Solution 9,346

REPRESENTING
FANTASY
REVIVER
NATURAL
GENTLE
ELECTRIC
RIVER
PILOTE
ISRAELI
VICTIM
REINFORCE
WINDERS 9,336 Mrs M. Malkin, Carlisle; S. L. Abrahams, Liverpool; Gilly Greenau, Richmond; D. M. Ham, Bistol; Arthur Leese, Tunbridge Wells; Pete Maclean, San Francisco

- DOWN**
- Find a method of escape (8)
 - Give off heat after one run in Brighton, say? (9)
 - Wife-batterer in front of the kids (5)
 - Once urge a new way to foster (8)
 - Many long for nest eggs (5)
 - Hook-like tiara clip designed (9)
 - Bertie endlessly splashing about in river (5)
 - An oil spread between ends of Lincoln, for example (7)
 - What Handel did with displays of fireworks? (3,6)
 - One providing the spirit to keep stationary in rough ride (9)
 - Off-colour, a badger is uncomfortable with others (3,2,4)
 - Channels in Gulf states? (7)
 - Copper tax for clergymen (7)
 - Principal eastern state of America (5)
 - Bloomer made by Potter's boy (8)
 - How Germans eat in the city? (5)

Solution 9,336

HASTEN THUMBUP
SALOON
KNOCK
INDIGENT
SHOW
SANTAGUAS
ABRAHAM
PARALLEL
TWO
BEE
REINFORCE
WINDERS 9,336

CHESS

Britain's chess league will expand into two divisions in 1997-1998 as the 8-a-side matches continue to gain status.

Almost all the UK's best players take part, and a Scottish squad will soon join those from England, Ireland and Wales to justify the league's official title of 4NCL. There is as yet no overall backer for this widely reported competition, where the Midlands and Kent are tied for the lead going into the final weekend at West Bromwich on 26-27 April.

The league's player of the year should be Jonathan Parker. The Cambridge economics student has scored 7/8, and will have his GM result confirmed at West Bromwich.

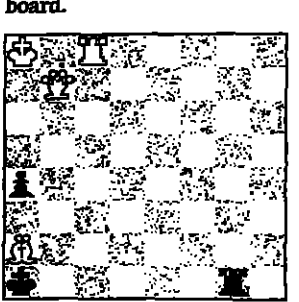
Parker won the most dramatic game of the season, a rook offer in the romantic style of the late Mikhail Tal. Was it sound? Judge for yourself (J Parker v J Levitt).

1 d4 d5 2 c4 c6 3 Nf3 Nf6 4 Nc3 a5 5 e3 b5 6 Bg4 7 Be2 e6 8 0-0 Nbd7 9 Bb2 Be7 10 h3 Bb5 11 Ne5 Bxe2 12 Qxe2 13 Nxe7 14 Qd2 15 Nf5 16 Qd3 17 Nf4 18 Qd5 19 Nf5 20 Qd3 21 Nf4 22 Qd5 23 Nf5 24 Qd3 25 Nf4 26 Qd5 27 Nf5 28 Qd3 29 Nf4 30 Qd5 31 Nf5 32 Qd3 33 Nf4 34 Qd5 35 Nf5 36 Qd3 37 Nf4 38 Qd5 39 Nf5 40 Qd3 41 Nf4 42 Qd5 43 Nf5 44 Qd3 45 Nf4 46 Qd5 47 Nf5 48 Qd3 49 Nf4 50 Qd5 51 Nf5 52 Qd3 53 Nf4 54 Qd5 55 Nf5 56 Qd3 57 Nf4 58 Qd5 59 Nf5 60 Qd3 61 Nf4 62 Qd5 63 Nf5 64 Qd3 65 Nf4 66 Qd5 67 Nf5 68 Qd3 69 Nf4 70 Qd5 71 Nf5 72 Qd3 73 Nf4 74 Qd5 75 Nf5 76 Qd3 77 Nf4 78 Qd5 79 Nf5 80 Qd3 81 Nf4 82 Qd5 83 Nf5 84 Qd3 85 Nf4 86 Qd5 87 Nf5 88 Qd3 89 Nf4 90 Qd5 91 Nf5 92 Qd3 93 Nf4 94 Qd5 95 Nf5 96 Qd3 97 Nf4 98 Qd5 99 Nf5 100 Qd3

15...0-0 16 e4 b4 17 N4d favour White, so Black provokes complications.

16 Qe4 17 Qe4 Nxe5 18 Nxb5 opens up the board, g6 17 Bxd7 18 0-0 Nf5 19 Nf4 Nf6 consolidates, so White offers a full rook, end 18 Nxd5 Nb6? The right defence is b5 19 Qf3 Rf7 20 e6 fxe6 21 Bxb5 exd5 22 Qxd5 Qd6 when Black's knight for two pawns may win.

19 Nxe7 Kxe7 20 Qh4+! Ke8 21 e5 Rf8 22 Bb3 Rf7 23 Rd1 Rb8 24 Qf3 Rf7 25 Qf3 Rf7 26 Qf3 Rf7 27 Qf3 Rf7 28 Qf3 Rf7 29 Qf3 Rf7 30 Qf3 Rf7 31 Qf3 Rf7 32 Qf3 Rf7 33 Qf3 Rf7 34 Qf3 Rf7 35 Qf3 Rf7 36 Qf3 Rf7 37 Qf3 Rf7 38 Qf3 Rf7 39 Qf3 Rf7 40 Qf3 Rf7 41 Qf3 Rf7 42 Qf3 Rf7 43 Qf3 Rf7 44 Qf3 Rf7 45 Qf3 Rf7 46 Qf3 Rf7 47 Qf3 Rf7 48 Qf3 Rf7 49 Qf3 Rf7 50 Qf3 Rf7 51 Qf3 Rf7 52 Qf3 Rf7 53 Qf3 Rf7 54 Qf3 Rf7 55 Qf3 Rf7 56 Qf3 Rf7 57 Qf3 Rf7 58 Qf3 Rf7 59 Qf3 Rf7 60 Qf3 Rf7 61 Qf3 Rf7 62 Qf3 Rf7 63 Qf3 Rf7 64 Qf3 Rf7 65 Qf3 Rf7 66 Qf3 Rf7 67 Qf3 Rf7 68 Qf3 Rf7 69 Qf3 Rf7 70 Qf3 Rf7 71 Qf3 Rf7 72 Qf3 Rf7 73 Qf3 Rf7 74 Qf3 Rf7 75 Qf3 Rf7 76 Qf3 Rf7 77 Qf3 Rf7 78 Qf3 Rf7 79 Qf3 Rf7 80 Qf3 Rf7 81 Qf3 Rf7 82 Qf3 Rf7 83 Qf3 Rf7 84 Qf3 Rf7 85 Qf3 Rf7 86 Qf3 Rf7 87 Qf3 Rf7 88 Qf3 Rf7 89 Qf3 Rf7 90 Qf3 Rf7 91 Qf3 Rf7 92 Qf3 Rf7 93 Qf3 Rf7 94 Qf3 Rf7 95 Qf3 Rf7 96 Qf3 Rf7 97 Qf3 Rf7 98 Qf3 Rf7 99 Qf3 Rf7 100 Qf3 Rf7



No 1175
White mates in three moves at latest, against any defence (by J Fritz, 1950).
Solution Page XXII

Leonard Barden

BRIDGE

When you can see the route to success, guide your partner towards it.

N
♠ K J 8 3
♥ K 6 4 2
♦ J 5
♣ J 8 3

W
♠ 9 5 4 2
♥ 5 3
♦ 10 9 8
♣ A 9 7 4

E
♠ A Q
♥ A 10 9
♦ 7 6 4 3
♣ K Q 6 2

South opens 1NT and, following two passes, East makes an ambitious penalty double. West leads 4♠. I recommend that fourth highest leads should be made only when your suit is headed by one of the top four honours. If your suit is 10 high or worse, lead the second highest card. This way, you can differentiate between suits of 10xxx and AJxx.

So, here, East knows that

West started with four clubs to the ace. He can count four club tricks and a heart, plus two spade tricks if West leads spades. If West does not, East will not score his ♠4, before South makes four diamonds and three hearts.

At trick 1, instead of winning with the lower of touching cards, East wins with K♠. Then, he leads Q♠ - again peculiar - normally, he would return the smallest card from three remaining.

Next he plays 6♠, and finally 2♠. West, on lead to trick five, should ask himself why East has played the wrong cards each time. The message should be clear. East has played his highest club on each occasion, and this is a signal for West to switch to the highest-ranking suit - spades.

Without East's help, West is just guessing - and he has two chances out of three to be wrong.

Paul Mendelson

The Nature of Things

Beating the binge cycle

There is now a drug-free cure for bulimia, finds Andrew Derrington

Throughout most of my life I have eaten like a pig, and been as thin as a rake. However, in the last year or two my desire for food has been occasionally shaken by concerns about healthy eating and by an unacceptable tightness of fit of certain beloved items of clothing.

My alternations between trencherman and weight-watcher have made my wife worry that I might be developing bulimia nervosa, the distressing eating disorder which is associated with frequent binges followed by drastic purging or vomiting.

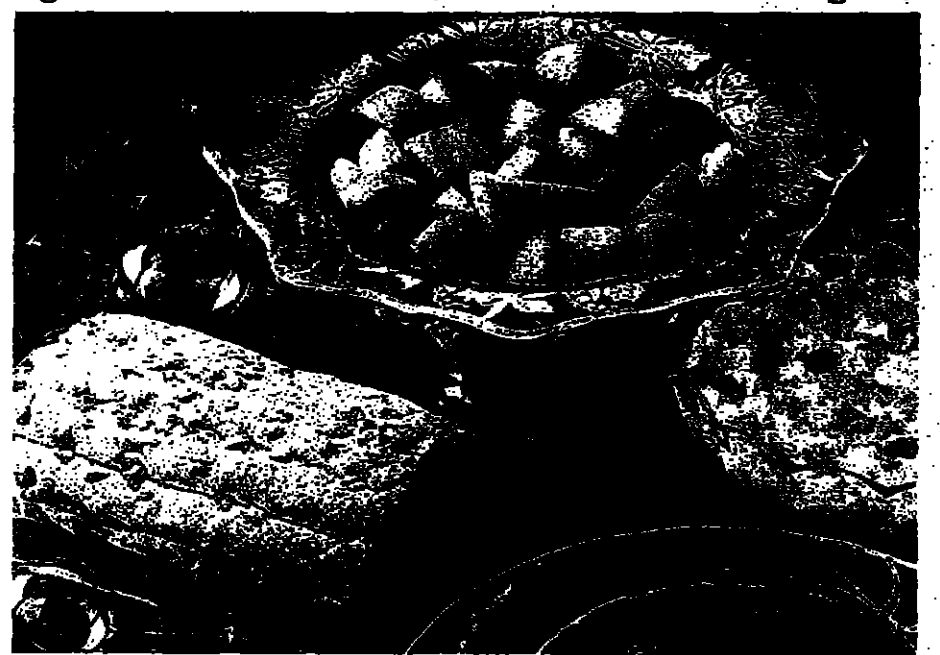
As yet my behaviour falls short of full-blown bulimia, which is extremely rare in men. And even if I should develop the condition, I am reassured by the news that a cure is now available.

Based on cognitive behaviour therapy, which works by enabling people to challenge their beliefs and change their behaviour, the treatment involves neither drugs nor surgery. Better still, it produces a permanent cure in most bulimic sufferers, according to Christopher Fairburn of Oxford University department of psychiatry, who helped develop the treatment.

The drug-free nature of cognitive behaviour therapy brings benefits and problems. An important benefit is popularity with patients. "People with bulimia want a psychological treatment," says Fairburn. Another plus is that cognitive treatments in general help people learn how to resolve their psychological problems. Learning tends to last longer than a bottle of pills.

On the negative side, all cognitive treatments are difficult to disseminate. One reason for this is that, unlike a drug, they cannot simply be put in a bottle with instructions about how many pills to take and when. Fairburn's bulimia treatment requires 15 sessions, each an hour long, with a trained therapist.

Another important difference is marketing. "Drug company representatives go out and persuade people to use drugs," Fairburn says. "Nobody offers you a free trip to San Diego if you treat your patients with cognitive



Sweet temptations: bingeing leads to violent vomiting to compensate for the extra calories.

behaviour therapy," he says. Fairburn is working hard to overcome these disadvantages. He has reduced his staff, it produces a permanent cure in most bulimic sufferers, according to Christopher Fairburn of Oxford University department of psychiatry, who helped develop the treatment.

He has also written a self-help guide* which the patient can use either alone, or with an untrained helper to administer the treatment to themselves. This approach suits many bulimic sufferers who are ashamed to admit their problem to themselves, let alone to a doctor. A telephone ordering service is available for people who are too embarrassed to risk being seen buying the book from a conventional bookshop.

The success of the treatment does not depend on understanding the causes of bulimia. Instead, it deals with the processes that maintain the disorder. These form an interlocking series of vicious circles.

At the centre, bulimic sufferers have low self-esteem, and an intense concern with body weight and thinness. Many begin as anorexics, with whom they share both the belief that they are much fatter than they are, and the desire to be much thinner. Indeed one description of bulimic sufferers is that they

are failed anorexics, but it is much more complicated than that.

The obsessive desire to be thin leads bulimics to set themselves strict, rule-ridden diets. Eating binges occur frequently, triggered by depression, by the impossibility of the diet, by chance temptation, or by some calamitous event such as discovering an increase in weight.

The binges lead to violent attempts to compensate for

out. Each of the behaviours that make up bulimia nervosa makes the others more likely. Binges cause the sufferer to set even stricter dieting rules, which in turn lead to failure, and precipitate more binges. Binges also decrease the sufferer's self-esteem and increase the concern about weight.

Vomiting and purging may reduce some of the concerns about the effects of bingeing, but they increase the sense of failure and lower self-esteem. They also increase the likelihood of binges both by increasing hunger and by reducing the perceived consequences.

Treating bulimia involves convincing the sufferer to adopt a regular pattern of meals as a defence against bingeing, and eventually getting them to accept their weight and shape rather than trying to control them by dieting. They have to accept that "people who are thin are thin because they are lucky," as Cooper says. And I have to accept that after more than 4 years my luck is beginning to run out.

The author is professor of psychology at the University of Nottingham.
*Overcoming binge eating, C.G. Fairburn, Guilford Press, New York.
**Bulimia Nervosa and Binge Eating, Peter J. Cooper, Robinson, London.

PERSPECTIVES



Joe Rogaly

Are all those lives taken in vain?

We might be able to justify the deaths of tree shrews but the hunting of deer is cruel – that's a scientific fact

We humans are fastidious: when we torture and kill other species we like to think about it, justify our actions, explain the costs and benefits. Hunting stags on horseback, accompanied by packs of hounds, causes severe discomfort to the quarry, but keeps the deer population down. Injecting tree shrews with a DNA witches' broth, then cutting up their brains to see the effect, could lead to discoveries that benefit our species.

Hold hard. I am not about to lecture you from an animal rights' pulpit. You are reading the words of a slavering carnivore whose teeth have been reddened by the products of intensive farming and whose palate has on rare and glorious occasions been sated by the finest of

venison. It is true that we are too squeamish to buy a mousetrap for our kitchen, but if the little blighter can be lured into an executive-class, non-lethal cage he will be carried far away and released to fend for himself.

The tree shrews in this day's tale were not set free, or even paroled. A hand or two long, these small animals look like pointy-faced squirrels. They are useful in laboratories because they share characteristics with insectivores and primates. The fate of one particular batch is described in a paper published in the April edition of the *Journal of Neuroscience*.

Elizabeth Gould and four colleagues sought evidence that neurons are produced in a certain part of the brain of adult *tapia belangeri*. If them, perhaps humans. If us, perhaps

treatments of diseases like Alzheimer's might one day be indicated. This is my speculation, not Professor Gould's.

The team found what it was looking for, and did so according to the book of rules for humane vivisection. The tree shrews were taken from the breeding colony at the German Primate Center at Göttingen. Formal guidelines for animal experiments were observed. The procedure was approved by the government of Lower Saxony. The *tapia belangeri* were kept one to a cage in air-conditioned rooms, lit by day. They were anaesthetised before dissection. Neuron production was proven.

Having established that, the researchers asked themselves what would happen if the animals were first placed under stress? This can interfere with

the creation of neurons in the unborn, but what of adults? It is easy to distress a male tree shrew. You let it see a bigger rival in the cage next door. It becomes very still. Its tail ruffles. It cries in alarm. If you let this go on for an hour then give it some knock-out drops, open it up, and look at its brain you find far less evidence of neuron generation.

We may ask whether we need to know that. We must think of the answer ourselves. Professor Gould, whose contact address is the department of psychology at Princeton University, New Jersey, was not writing about such matters of philosophy. We non-scientists can blather on about a connection between what the paper calls "psychosocial stress" in adult tree shrews and equivalent conditions in humans. Per-

haps being subordinate inhibits the production of brain cells, assuming they are on stream. Dominant behaviour upsets people. That would be an additional bit of potentially beneficial information for all the human sciences, would it not?

The utility of deer hunting is less easily established. The practice was investigated for two years by a team whose chairman, Patrick Bateson, presented his report to Britain's National Trust this week. A stag may evade the hounds bying behind it for hours, covering distances as long as 20 or 30 miles – 12 on average. Unsurprisingly, the chase turns out to be highly stressful for the quarry.

With Elizabeth Bradshaw, Professor Bateson conducted tests on the blood of hunted deer, searching out indicators that

support rules on the transportation or slaughter of farm animals. They concluded that the hunt is cruel, far more distressing than the shorter process of ambush by wolves in the wild.

Proponents of the hunt argue that it is necessary to keep numbers down. That can be done by stalking and a quick rifle-shot. Others protest that jobs associated with the sport are not easily replaced; yet others that only country folk can understand rural rituals. Riding to hounds, in full regalia, is usually described, other than by deer, as "thrilling". Its supporters will doubtless question the extent to which the degree of suffering endured by animals can be established; the stag does not think, as do we.

The deer hunters are likely to find it difficult to talk them-

selves out of the Bateson report. It has confirmed by scientific method what to the outsider was always blindingly obvious. It is aimed with precision. It speaks only of deer. Its conclusions are not extended to the fox, a different animal with a practised run. In Britain, fox hunters, who also ride to hounds, are either glorious upholders of tradition or lusty after blood, depending on your point of view.

Perhaps it will cease. The chase may be rendered illegal after the May 1 general election. It depends on how many anti-hunt MPs are returned. They should ask why some of us enjoy killing other creatures. Cock-fighting, bear-baiting and bull-fighting are but a few of the pursuits humans justify in the name of sport. At least the tree shrew does not perish in vain.

Green Tea with the FT

A bright light reflecting Japan's reality

Robert Thomson meets Beat Takeshi, a comedian, film-maker and very influential man

The heavy studio traffic of larger-than-life dalmation costumes, fright wigs, mustard-coloured mannequins and ersatz nurses suggested that the imagination of Takeshi Kitano was hard at work. A few minutes later, filming done, he had prepared a pot of green tea, slipped off his shoes, and knelt on the straw-matted floor to which he retreats when not cracking on-camera jokes.

Describing Beat Takeshi, as he is stage named, as a comedian or actor or filmmaker would be technically correct, but neglects his more important role as one of the few Japanese public figures who says out loud what others would prefer not to discuss. Instead of the evasive triple negatives employed by the average prime minister with limited lifespan, the enduring and more influential Beat Takeshi talks straight, if from the corner of his mouth.

He was momentarily famous outside Japan through the prisoner-of-war film *Merry Christmas, Mr Lawrence*, in which he was a tough but, in the end, charming sergeant. It was his halting, unnerving pronunciation of "Merry Christmas, Mr Lawrence" that gave the film its title. Since then, his own films have done the rounds of international film festivals, where he is already ripe for retrospectives, and he has churned out thousands of hours of prime-time, knock-about television comedy and commentary.

When British or American programmers, attempting to amuse or shock their own audiences, screen the appalling antics of Japanese television (the cruelty of using construction site cranes to throw guests into the harbour and scorpions down the underpants, that sort of stuff) much of it is Takeshi TV. He sees calculated torment as an extension of a traditional genre.

"We cannot ignore cruel

humour. We do not like it, but you know it is there. It exists. This kind of feeling is very deeply rooted in Japan. We accept that it is part of the range of emotions."

For him, this honesty is linked to his broader role as a mouthpiece for reality in a society which celebrates the abstruse: "I simply say what I really feel or think, and that could reflect what the public thinks. However, in Japan, there is an understanding that there are some things you shouldn't say, even if people feel it. I represent the ability to say it."

But is he conscious of influencing public opinion, given that teenagers have

'They wanted to operate on my brain, but... I told them I didn't mind if I became a fool'

ranked him close behind their parents as the "most respected" figure in society? Is he intimidated by the role? "Everybody laughs when I say something outrageous, but does it change them? The laugh could be the end of it. The end of an act of creation. It is not easy to change people in Japan."

"Take the example of the homeless. Japanese try to hide the existence of the homeless from foreigners, but everyone knows we have many homeless. But even the volunteers who try to solve this problem recognise that we will always have homeless, so they are hypocrites in a different way."

As he spoke, Beat Takeshi repeatedly pinched his right cheek, severely scarred from a motorcycle accident in Tokyo that left him close to death three years ago. "They wanted to operate on my brain, but I wouldn't let

them. I told them I didn't mind if I became a fool."

He has lost some feeling in his face, but is reluctant to allow the dozens of wannabe healers to go to work on his 50-year-old body. "I fear they would just boast that 'I cured Beat Takeshi'."

The accident has been "useful", he says, in helping him to sort out his relationship with death, though he is now accused by fallen fans of becoming less edgy, more predictable. "When I was young, I was very afraid of dying. I had so many things that I wanted to do, and was haunted because I thought I may not be able to do them."

"When I came back to my senses in hospital, I didn't feel happy or sorry or sad. I accepted what had happened. Now I am more confident about the line I am walking. I don't have any interest in money or fame. I do have a deep interest in creation."

He is contemptuous of the rise of sects and new religions in Japan. For him, the spiritual side is a "puzzle". "Human creative power is a wonderful thing, but there is something exceeding that creative ability. When we ask a child to draw an animal he has never seen, we think the child is full of imagination, full of creativity, but he is almost certain to draw something close to an existing animal, with a big nose or a long tail, something they like. And, if a child was to draw something that was totally creative, none of us would understand that this is an animal."

Having replaced his plastic cigarette with the real thing, he tugged at his ordinary woollen jumper of vibrant colours and explained that more than two decades of fame have taught him to be careful about controlling his exposure.

"People get attracted to you. They see something shining brightly in the pond and are very curious to know what it is. So they want to go over to it, to remove the object from the water. But it may only be a



Beat Takeshi: 'I simply say what I really feel or think... in Japan there is an understanding there are some things you shouldn't say... I represent the ability to say it' Kyoto

place of broken mirror or an empty can. The shining object is only bright in the pond."

"You have to keep changing your status, from the outlaw to the orthodox. When you are too orthodox, you lose your edge. You have to be careful that you don't get caught in the mainstream."

He is a remarkable performer. Many of his pro-

grammes are haphazardly structured, and dependent on him finding a profound observation or successfully reaching for raw humour. His line of logic links the political, the spiritual and the slapstick. The material is gathered, he says, from reading and thinking outside camera hours, but he is careful not to force the wit.

"I see myself as kind of fish. You look at a fish and

you can't quite see how it is swimming, but, to the fish, swimming is natural. You hear things, information comes to you, you trip across ideas, a lot of it is commonsense."

"When I want to know more, I will go to the bookshop. It all happens in a very natural manner. One thing I do avoid is the 'entertainment world'. I am very careful to separate my workplace

from my outside life."

Having dominated Japanese television and, when not in hospital, directed or acted in almost a film a year for the past decade, what about stardom and influence in the outside world?

His films have an art house acceptability, with reviewers finding them "singular", "witty" and "challenging", but he has not bothered to aim directly at

an international audience.

"When you want to become mainstream in Europe, then you are tempted to analyse what will be accepted. That is a kind of flattery of western culture. Europeans are smart enough to reject that flattery. If I make a film I like, and it is accepted, fair enough. There is a possibility of success, but I don't want to be distracted by it."

Truth of the Matter

Duty to live long and be ordinary

The end of the world may not be nigh, but it is still a possibility, says John Leslie

I am an optimist. People have presumed from the title of my book *The End of the World*, that I must be a desperate doomsayer, but I do guess that our chances of surviving the next five centuries are about 70 per cent.

Truth is that before meeting the so-called Doomsday Argument my estimate was around 95 per cent. Some people would call that wildly optimistic – particularly in the light of dangers from loss of the ozone layer to the rise of an incurable pandemic.

Having spent several years looking at all possible ways that humans might become extinct – "rumpling through the grisly scenarios", as one critic put it – I feel a moral responsibility towards billions of people I have never met because they are not yet born. In fact, these people may never be born unless we make efforts to avert the potential disasters.

Many of today's philosophers see no ethical importance in

whether the universe becomes empty of intelligent life. In their eyes, ethics is all about people living happily together, if there do happen to be people. Whether there are people doesn't matter to these philosophers.

To me, in contrast, the more happy people the better. One important event of recent months was NASA's controversial "finding of fossil life on Mars". If confirmed, that would be good news, tending to show that life is common in the universe.

All the same, we have a heavy responsibility towards the people we know exist, humans. Of all humans who have ever lived, getting on to 10 per cent are still

alive today, thanks to the population explosion of the 20th century. If we take sufficient care, the number of future humans could be a million times greater than the number who have already lived.

The dawn of 2000, beloved or feared by crackpots and millennial cults, could present special dangers, but not, I think, of a fatal kind. Up to 45,000 main-frame computers could crash as their clocks malfunctioned, treating 2000 as if were 1900. The potential for financial havoc is obvious, and the US Defence Department has warned that some weapons systems could become uncontrollable.

However, a far more serious threat is loss of the ozone layer which shields us and other life against ultraviolet rays. Last year, Nobel Prizes went to three scientists for having forecast ozone depletion, yet powerful political and industrial groups often oppose bans on ozone-depleting chemicals.

How about the asteroid threat? To save a mere 250,000 a year, Australia is ending its asteroid tracking programme. Yet Sydney, for instance, might stand a one in four chance of being destroyed by an asteroid during the next two centuries.

This doesn't mean a direct hit. Last May, a 4km-wide body passed our planet at a distance just further than the moon. Something much smaller splashing into the sea 1,000 miles away would cause enough of a tidal wave to overwhelm Sydney.

Luckily, 30km-wide objects, potential causes of doom for all, hit only about once in 100m years.

There is still a possibility of nuclear Armageddon, cataclysmic biological warfare, the loss of so many plants and animals that the biosphere collapses, or a disaster in genetic engineering, it is even conceivable that physicists, experimenting with

extremely high energies, could create a tiny bubble which could then expand at almost the speed of light and destroy the galaxy.

Threats of these sorts could be an excuse for saying that we stand a 5 per cent chance of destruction in the next 500 years. But how does the Doomsday Argument manage to lift this figure to 30 per cent?

A mathematician and Fellow of the Royal Society, Brandon Carter, discovered the argument at Cambridge 14 years ago. He argues that you and I should hesitate to view ourselves as highly exceptional humans. Well, if the human race continued onwards

for many more centuries, and managed to colonise other planets, then perhaps only a millionth of 1 per cent of all humans would have lived when we did.

In contrast, the percentage would be much, much higher if doom came soon, let's say, within the next couple of hundred years. Don't forget, about 10 per cent of all the people who have lived so far are alive at this moment. So, if doom came soon, we would be rather ordinary humans, wouldn't we? And that, rather than part of a highly exceptional fraction of a per cent, is what humans could well expect to be.

This numbers game works well as a way of destroying great confidence in a long future for humans. We have a duty to take great care not to destroy our planet.

John Leslie is a Canadian philosopher and the author of *The End of the World: the science and ethics of human extinction*, Routledge, London, £16.99.

PERSPECTIVES

Hans Balmer from Baste in Switzerland is a man with a mission. Known in the area as the Kompostpope ("the compost pope"), he has worked tirelessly for the past 18 years at converting the populace to the joys of composting.

A frequent after-dinner speaker in villages and church halls, he also makes guest appearances at private compost parties. These are a bit like Tupperware parties but instead of hurrying ice cream containers and nifty little salad dressing shakers to take away, you get a free 10-litre sack of home-made, nutrient-packed compost, hot from the expert's heap.

I once accepted an invitation to hear Balmer speak in our village. A team of eco-friendly neighbours had assembled to listen to him expound on the inequities of throwing away practically anything. Statistic

Garbage according to a compost pope

Sue Style discovers the gentle art of decomposition – and cross-border rubbish disposal

followed hot upon the heel of statistic, graphs and pie charts were flashed up on the screen. Diagrams of soil composition and worm populations were dangled tantalisingly before our eyes.

Our expert warmed visibly to his subject. While it would be wrong to claim that I caught every word of his by now very animated Swiss German, I think I got the gist.

The climax came when, explaining the pointlessness of forking tonnes of expensive and eco-unfriendly peat into our clay-bound gardens, he carelessly tossed in the observation that if all the bales of peat used by Swiss gardeners were lined up

and to end, they would stretch from Basel to Rotterdam.

There was a sharp intake of breath. We set off home in high spirits, ready to reassemble the following Saturday morning for a practical session, lured by the promise of our freebie sack of compost.

Balmer's chief selling point is the betterment of one's soil, otherwise known as Bodenverbesserung. But composting is also a good way of disposing of rubbish which would otherwise be clogging up the dust carts. And it is only one element in the wider picture of rubbish disposal, at which the Swiss are absolute masters.

Good citizens not only

earmark their rotten apples, coffee grounds and eggshells for the compost heap, they also stack up newspapers for monthly collection, take their bottles to the bottle bank, roll up pieces of foil into neatly recyclable balls, flatten their label-less tin cans and post them through small slits in the side of large bins, and carefully set aside any remaining non-combustible junk.

There are special instructions from the council on how to dispose of the corpses of (small) domestic animals, used cooking oil or elderly lawnmowers. Nothing is left to chance.

The hope is that landfill sites will diminish and there will be little left for the council dust

cart to take away, community costs will be slashed, taxes may even be lowered.

An added advantage – implicit but not articulated – is that the Swiss may bask in the warm glow of self-righteousness that comes only from inner Unweltschuldlichkeit (eco-friendliness).

Little wonder that decomposition and other disciplined ways to dispose of garbage are the subject of intense and earnest discussion at Swiss dinner tables nowadays. In the town of Basel rubbish may only be proffered to the dustman if enclosed in special plastic bags bearing the city stamp. These cost around Sfr2 (about £1) each.

Anything not packed in these special sacks will lie about unclaimed, on the pavement.

Neighbours, twitching the curtains, will mark down and exclaim over such shocking practices – and neighbours (as all who live in Switzerland will know) are a force to be reckoned with.

Whatever John Gummer, the British environment minister, may claim, rationing rubbish is not without its drawbacks. Two problems have arisen since these draconian measures were introduced in Basel. First, the city sewerage system has apparently come under considerable strain as people consign things to the lavatory

which would certainly be better off elsewhere.

Worse still, otherwise upright Swiss citizens have been caught creeping over the border into Alsace to throw their detritus into French ditches. French customs officers, alerted to this practice, have taken undisguised delight in instituting random rubbish checks on Swiss-registered cars. Boots are opened to reveal shopping bags bulging with last week's Bester Zeitsung, stale bread and discarded chocolate wrappers. What would the neighbours say?

"People usually seem quite embarrassed when we stop them," commented a French customs man recently, the corners of his mouth twitching in a barely suppressed smirk.

"They seem in rather a hurry to get home, and they pay the fine very promptly without fuss."

The great lost and found garden

Overgrown and unloved, an 18th century garden has reappeared in a historic estate, says Clive Fewins

Philip White cannot remember the first time he heard of Hestercombe. A farmer's son, he was brought up only a mile along a winding lane from the great house and garden in the west of England that bears that name.

As a small boy in the 1950s he often heard his parents talk of the famous partnership between Sir Edwin Lutyens and Gertrude Jekyll, which created the 8-acre formal garden at the start of the century.

However, it was not until he was at school in the 1960s that he heard the tale of a great lost garden close by, created by Coplestone Warre Bampfylde, the owner of Hestercombe in the mid-18th century, but so overgrown that it was virtually impenetrable.

The formal Lutyens/Jekyll garden was not open to the public in the 1960s (it opened for the first time in the 1970s), but on days when the grounds were open Hestercombe still held some appeal to a small boy. This came in the shape of gleaming red fire engines on the forecourt, which in 1962 had become the headquarters of the Somerset county fire brigade.

To the young Philip the great house seemed an unwelcome place – a dark, ungainly, Victorian Italianate mansion. Indeed, Lutyens referred to it in letters to Lady Emily Lutyens in 1904 as "a self-satisfied, comfortable English sporting squire of a house".

White's fascination lay in another direction. Whenever he went there he found himself gazing at the thick woods to the north. But what then presented only a mystery to a young boy is now the restored "lost garden", which on April 23, will open to the public for the first time. They will be able to take the winding path re-excavated largely by bands of volunteers, past a pear-shaped lake and across a

rebuilt dam at the foot of the valley to see the reconstruction work on the first two of the seven follies that White believes existed in the original garden.

Great 18th century landscaped gardens such as Hestercombe were built by their owners to create a suitable setting for their new classical-style houses, and views through which their guests could see and admire the building. The follies – buildings of no practical use – were another reflection of the owners' wealth. Many derived from the classical ideals of Greece and Rome, to which their owners claimed to aspire.

The particular interest of Hestercombe, apart from its

'Beyond that it was impenetrable, but I had a good idea from research of what lay there'

superb setting, with wide views over Taunton Vale, is that it is different from other great landscaped gardens of its age – including Stourhead, Painshill, Stowe and Studley Royal – because its style was not changed by later gardeners.

"Hestercombe is so exciting because it is unique," White said. "Bampfylde's 18th century landscape was followed by a 19th century terrace, which was replanted in the Victorian style. The Lutyens/Jekyll garden followed on a different site. There is even the remains of a Tudor deer park, making Hestercombe a site of international importance."

White's passion has always been conservation. In October 1991, when his father retired from the fami-

ly's 56-acre dairy farm and milk quotas were introduced, placing, according to White, greater financial pressures on the farm, he decided to follow his real interest. He let the farm and took a job with the Somerset Wildlife Trust at a salary of £10,000. He calculated that with the rent from the farm he could just about support his wife and four young sons.

His work base was an office rented from the county council on the third floor of Hestercombe House. "My main view was of the Lutyens garden, by then open to the public, and the coaches that regularly disgorged long queues of elderly couples who had travelled miles to see it," White said.

"What struck me was that people were still ignoring the fact that there was a much older garden on a grander scale beneath the thick woodland only a few hundred yards to the north."

White took his first few tentative steps into the woods in early 1992. He was only able to progress about 20 yards. "Beyond that it was impenetrable, but I had a good idea from my research of what lay there."

In 1993, the Crown Estates had felled most of the mature trees planted by Coplestone Warre Bampfylde in the 18th century. In their place they planted hundreds of ash, beech, sycamore and larch on the site, a comb, which descends from the southern tip of the Quantock hills.

Once White had managed to penetrate a little further up the comb, and worked out the layout of Bampfylde's great landscaped creation, his decision to mastermind its restoration was immediate.

"I can remember going back to the office and saying to my colleague David Usher, head gardener at Hestercombe House, that we just had to recreate this garden," he said.

Usher, too, had been famil-

iar with what lay in the woods, but his explorations had taken him little farther than following the tell-tale trickle of water that still ran down the comb, ending up in the former mill pond by the side of Hestercombe House. The trickle provided the only clue that the stream had been made by Bampfylde to cascade over an artificial cliff and run down to the house via four ornamental pools.

Five years later White, Usher and Graham Burton, the one employee of the garden's restoration, known as the Hestercombe Garden Project, are pleased to reveal their efforts to the public.

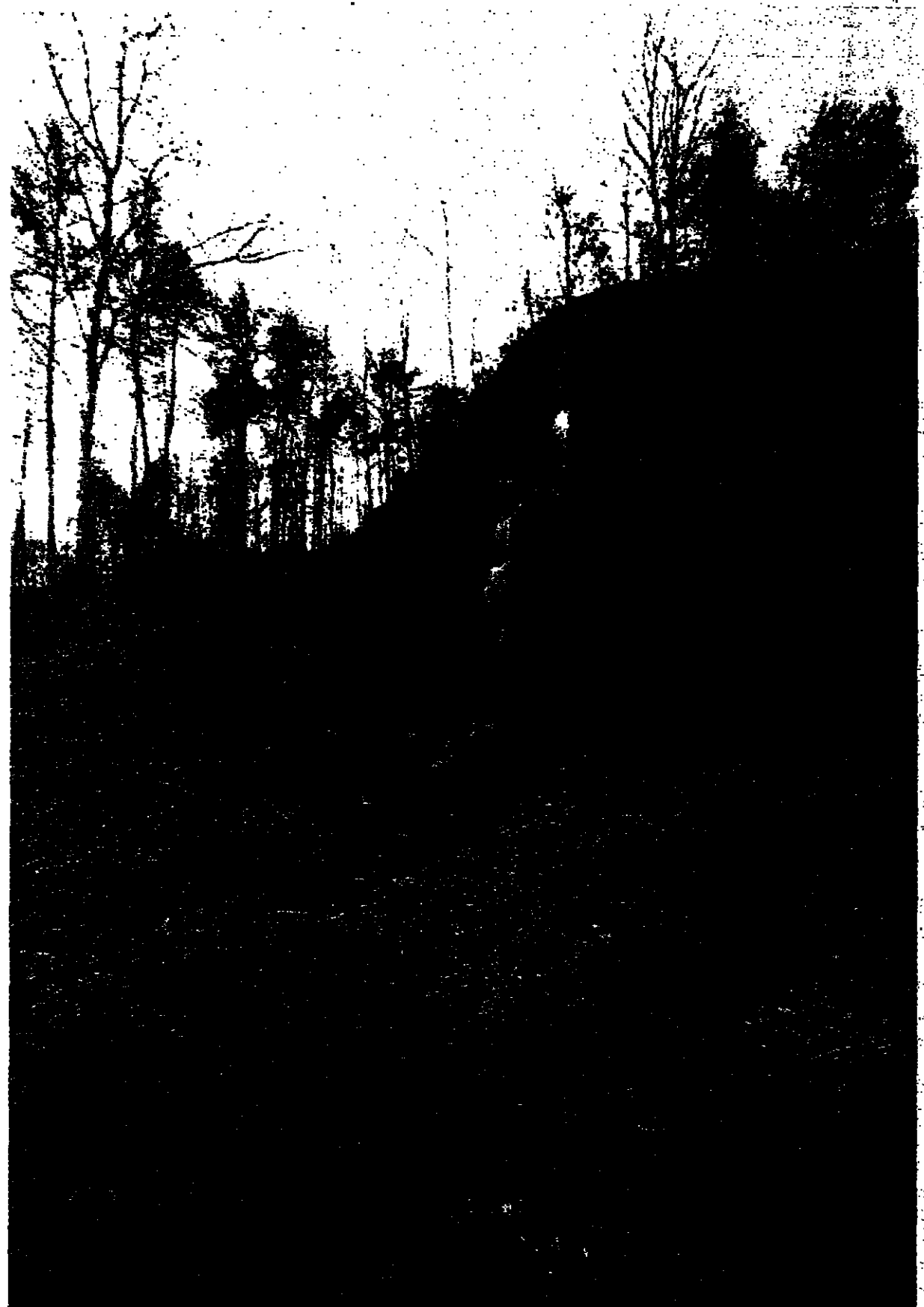
Water now thunders over the 50ft cascade. It is fed by the rebuilt brick leet that diverts the water from the stream higher up the valley, seemingly transporting it uphill in the process.

Visitors will be given a leaflet on the history of the great garden with notes on Bampfylde, who was also responsible for creating the cascade in the garden at Stourhead, Wiltshire.

Over the past five years White has become almost as entranced with the creator of Hestercombe's great landscaped garden as the site itself.

"Bampfylde was a big man in every way. A very warm character and very much more than just a well-educated 18th century gentleman amateur," White said. "He designed with a painter's eye and brought all his abilities together designing what he called his Arcadian Pleasure Grounds at Hestercombe."

In the summer of 1995, as a precursor to the fundraising activities for Hestercombe, White persuaded Christie's to mount a two-week exhibition of Bampfylde's watercolours, "A gentleman of fine taste". So far he has managed to raise £250,000 for the Hestercombe Garden project, which he estimates will take about another eight years to complete. Early this



Tell-tale trickle: Hestercombe's restored hidden garden

Adam Lister

year he left his job to become its full-time director.

"If it were not for large grants from the government's Countryside Steward-

ship scheme I do not see how we should have got this far," he said. "Our big hope for the future is money from the National Lottery."

"I also hope that when visitors see what we have achieved so far they will give generously."

■ The Hestercombe Gardens Project, Hestercombe House, Cheddar Fitzpaine, Taunton, Somerset. Tel: 01223 413323

Selling the family jewels

Pamela Harriman's collected fortune will soon be for sale, reports Antony Thorncroft



Harriman sale: Picasso's 'Mère et Enfant' sold at Christie's for nearly \$12m

There is nothing that an auction house relishes more than disposing of the estate of a famous personality. Last year Sotheby's unromantically estimated that the soft furnishings and knick-knacks bequeathed by the late Jackie (Kennedy) Onassis to her children might be worth up to \$5m in the saleroom.

It ignored the American public's obsession with their former first lady, an obsession which left the Kennedy heirs around \$34m richer at the end of four days of frenzied buying.

The late Pamela Harriman may not carry the popular caché of Jackie O, but at least her works of art, which come under the hammer at Sotheby's in New York on May 19 and 20, have some artistic pretension, and include paintings by John Singer Sargent, Seurat and Delaunay – as well as a still-life by her former father-in-law, Sir Winston Churchill.

And in terms of drama, the life of Pamela Harriman makes that of Jackie Onassis look positively tame. It is appropriate that she ended her days as Ambassador Harriman, the respected representative of the US in France, for Paris was the

perfect climax for the last "grande horizontale", a woman who used her physical charms to speed her progress through life.

Born the younger daughter of Lord Digby, with all the confidence of a member of the British aristocracy, her three husbands – Randolph Churchill, Broadway producer Leyland Hayward and Averell Harriman – contributed, in turn, unrivalled connections, show business glamour and money, while her string of lovers, which included Onassis, Marchos, Agnelli, Elie de Rothschild, Sinatra, the Aly Khan (for starters), provided unparalleled luxury. At 51 and widowed, she turned to one of her early lovers, Harriman, a man 30 years her senior, for financial security in old age.

Heir to a railroad fortune, and a prominent Democratic politician, he certainly provided it, and on his death in 1986 she inherited most of his fortune, reputedly \$42m in cash, and an art collection estimated at \$66m. Pamela Harriman was no great collector, but hardly needed to be. The gifts and furnishings of her husbands and lovers surrounded her with all the trappings of wealth.

She did, however, buy the Sargent, "Staircase in Capri", which with a top estimate of \$1m, is the most expensive lot in the auction. She also acquired some of the French furniture. But if Harriman was not a voracious collector she certainly appreciated the value of art, and it was knowledge that proved very useful to her two years ago.

Somehow she managed to

While not a voracious collector, Harriman certainly appreciated the value of art

dissipate much of a trust fund set up for Harriman's children. Expensive legal suits followed and she was forced to auction off some of the finest paintings collected by her husband.

It was not the best of times to sell, with the art market still convalescing after the recession, but Christie's managed to bring in almost \$12m for a Picasso

portrait of his wife Olga and their son. Two other key works, by Renoir and Matisse, were marginally disappointing, but added almost \$7m between them to the repatriation fund.

In contrast, Pamela Harriman's heirs, the Conservative MP Winston Churchill and his estranged wife, can expect to raise much less from the auction of the contents of his mother's homes in Paris, Washington and Middleburg, Virginia. Sotheby's, perhaps caught out by the Jackie O sale, refuses to hazard an estimate on the 1,150 lots but something in excess of \$6m must be anticipated. In addition, it is disposing of the three houses.

DeDe Brooks, Sotheby's chief executive officer, waxes lyrical about the sale. "Everything is in perfect condition. It is one of those auctions that people will want to buy something from." Rather cleverly, Sotheby's has placed low estimates on odd lots by famous people. For example a landscape by President Dwight Eisenhower, "Sun Valley Idaho", carries an estimate of up to \$3,000. It will certainly sell for 10 times that.

Collectors of Churchill memorabilia should improve

on the \$40,000 top estimate for "Jug with bottles", one of his 1930s paintings, while an oak rocking chair, owned by President John F. Kennedy and given to Harriman, will sell over its \$30,000 top estimate.

There should also be keen, if salacious, bidding for a cheque signed by Churchill in favour of Harriman for five pounds three shillings to settle a card debt. It is believed that Churchill encouraged Pamela to seduce Harriman to discover information when he was a diplomat in London during the war. Losing at cards was a small price to pay for knowledge about American intentions.

Sotheby's won the Harriman collection in competition with Christie's, which could only give the auction its full attention if it was postponed to the autumn. Winston Churchill, involved in an expensive divorce, could not wait for the money. It would have been considerably more if Ambassador Harriman had not donated the most important painting she inherited from her last husband, "White Roses", a Van Gogh valued at more than \$50m, to the National Gallery in Washington.

BOOKS

A testament to great storytelling

Craig Raine questions a postmodernist approach to the Bible but finds the Good Book a very good read indeed

Chapter and verse – a phrase, derived from the lay-out of material in the Bible, which has come to mean the minutiae of evidence, the citation of detailed, clinching proof, exactitude, certainty, a sense of truth. Yet it was not always so. In the 17th century, John Locke was much exercised by chapter and verse – seeing in this arrangement not exactitude, but rather the opportunity for paltering, for equivocation. Ease of reading and of reference were as nothing, for Locke, beside the subtle corruption of the Bible's coherence. Sects in search of justification would seize on discrete fragments and appropriate whatever struck them as appropriate. It was a recipe for theological opportunism. "This is the Benefit," wrote Locke with passionate irony, "of loose Sentences, and Scriptures crumbled into Verses, which quickly turn into independent Aphorisms."

The learned editors of this annotated edition, Robert Carroll and Stephen Prickett, professors at the University of Glasgow, do not cite Locke's objection. Nor do they tell us anything precise about the division of the Bible in chapters and verses beyond the statement that the divisions were made in "late medieval times". The New English Bible, on the other hand, says "the conventional verse divisions in the Old Testament are based on those in Hebrew manuscripts". Of course, these two statements need not necessarily be incompatible. It would be nice to know.

Mind you, the editors are more than covered by their disclaimer at the outset of the end-notes: "an adequate set of endnotes to the Bible would be as long as the book itself, if not longer." (My italics). There are approximately 100 pages of endnotes as against 1,606 pages of Old Testament, Apocrypha and New Testament. What is offered in the way of annotation is interesting, helpful, imaginative, but necessarily glancing. And obviously inadequate – by the editors' own admission. Their introduction contrives to promise a great deal more and strikes one as an impressive series of bold intellectual gestures. They are interested in the Bible as literature.

By "literature", however they mean literary theory in which the Bible is an exemplary indeterminate resource, a text three-quar-

ters of which is borrowed from another religion, Judaism. Add to this theological imperialism the hypothesis that both Christianity and Judaism are themselves derivative of earlier religions like Zoroastrianism – and the Biblical critic comes into his own as arbiter, decoder, architect, archaeologist and (here) playful postmodernist in a state of ecstatic contradiction. The editors are more excited by dynamic possibility than by closure.

Intellectually, this is consistent with the introduction's take on historical truth – no such thing exists; there are merely competing interpretations. This is a position of profound intellectual complacency. Were it adopted by historians, it

THE BIBLE: AUTHORIZED KING JAMES VERSION Introduction and notes by Robert Carroll and Stephen Prickett Oxford World's Classics £9.99

would vitiate an entire intellectual discipline. For discipline substitute laxity, for truth substitute argumentative elegance. No one need decide. No one need cite chapter and verse.

The Bible concerns them as "a classic book of English literature". The Good Book is famously a compendium of moral positives, calls to duty and angry supernatural rumblings. But, as the editors hint, it is also possible to read the Good Book as just a good book. Would they had actually done so – but, for them, narrative no longer means narrative. It means something like a reading or an interpretation of the text, designed to make it relevant to a particular set of beliefs. The reader imposes a story on the text, a sequence that makes the text meaningful beyond the purely literal. In the 1960s Jan Kott was doing the same thing in *Shakespeare Our Contemporary* – making the text speak to a different historical moment. The editors twice cite Oliver Cromwell's use of Exodus and the occupation of Canaan by the Israelites to justify the Protestant plantation of Ulster. Catholic nationalists, meanwhile, found their sense of oppression in the same book of the Bible – the enslavement of the chosen people in Egypt. An opportunity has been

missed. It is possible to read the Bible as a set of short stories, some of the greatest ever written, where "narrative" means simply narrative. One of my favourite stories is that of Ehud, the "judge" who assassinated Eglon the King of Moab. A "judge" is a chieftain, according to Professor Carroll. The New Scofield Reference Bible is more informative: "twelve men and one woman [are] designated as judges and raised up by God to deliver Israel in times of declension and disaster after Joshua's death." Ehud is far from the standard faceless hero of myth. The Biblical narrator doesn't so much describe the man as open a file on him: "the son of Gera, a Benjamite, a man left-handed." He is sent to Eglon with the Israelite tribute, but he has also a dagger with him. The dagger has "two edges, of a cubit length" – and he did gird it under his raiment upon his right thigh. Writers call this technique solidity of specification. Its purpose is, in the immortal words of Conrad, "to make you hear, to make you feel – it is, before all, to make you see. That – and no more, and it is everything."

King Eglon, Israel's and Ehud's enemy, is "a very fat man", we learn at Judges 3 verse 17. Five verses more interpose before we discover why this information is important. The tribute is delivered. The bearers return home but Ehud turns back at the quarries "that were by Gilgal". In Eglon's summer parlour, Ehud explains that he has a "secret errand". King Eglon sends out his attendants. Ehud says he has a message to the King from God. It is the dagger on his right thigh, its cubit-length now revealed. He thrusts it into the king's belly: "and the haft also went in after the blade: and the fat closed upon the blade, so that he could not draw the dagger out of his belly; and the dirt came out." One is tempted to say that this could be Ruth Rendell or Patricia Highsmith – as a way of making the gruesome point – but the narrative certainty here, the unflinching ironic precision is worthy of Evelyn Waugh or Nabokov or Flaubert.

The conclusion must be quoted in its terse calmness and black humour: "Then Ehud went forth through the porch, and shut the doors of the parlour upon him, and locked them. When he was gone out, his servants came; and when they saw that, behold, the doors of the parlour were locked, they said, Surely he covereth his feet in his summer chamber. And they tarried till they were ashamed; and, behold, he opened not the doors of the parlour; therefore they took a key, and opened them: and, behold, their lord was fallen down dead on the earth. And Ehud escaped while they tarried, and passed beyond the quarries, and escaped unto Seirath."

The modern, accurate translation of the much revised New English Bible explains a narrative opacity, arising out of a euphemism, the phrase "Surely he covereth his feet". In the New English Bible this reads "they said, 'He must be relieving himself in the closet of his summer palace'". I prefer the euphemism, murky though it initially is, because it reflects the general reluctance to do more than hover indecisively. Covering one's feet is a phrase full of delicacy and embarrassment. The New English Bible also tells us that the translator responsible for this episode in the King James Version was a writer as well as a translator. The Authorized Version invents a detail absent from the original Hebrew. It is an example of writerly opportunism, the irresistible embellishment which is art's tribute to life: "and the dirt came out."

2 Kings 4 tells the great story of Elisha and the Shunammite, a story whose art is again pointed up by the more accurate version in the New English Bible. I paraphrase. Unforgivably. Passing through Shunem, Elisha is "constrained" to eat bread by "a great woman", who, seeing Elisha is a holy man, persuades her husband to build a little lean-to chamber for the prophet to rest in on his travels. He wonders what he can do in return. The Shunammite replies: "I dwell among my own people", meaning that she is content as she is. Elisha's servant, Gehazi, tells the prophet she is childless and her husband is old. Elisha tells her she will conceive. She says, "Do not lie unto thine handmaidens: it is not a lie."

"And when the child was grown, it fell on a day, that he went out to his father to the reapers. And he said unto his father, My head, my head. And he said to a lad, Carry him to his mother. And when he had taken him, and brought him to his mother, he sat on her knees till noon, and then died." This is a narrative which proceeds on its way unhurried. It can list the bed, the table, the stool and the candlestick in Elisha's little lodging. It has a vernacular carelessness with pronouns. It is hospitable to tautology. "And when he had taken him, and brought him..." And yet it records, with equal lack of hurry, the quiet witness of death, the unremarkable and therefore terrifying repetition, "My head, my head". That – and no more, and it is everything. Especially if you are a parent and familiar with those sudden, absolute, everyday eclipses of health in small children. The horror is more telling for the narrative restraint.

We use magic realism as a



In the beginning: 'Adam and Eve' by Lucas Cranach, 1526

term to describe a particular potent mixture of the far-fetched, the poetically allowable, in coincidence with the recognisable world. But the term should also apply to those details which sew irrefutability into the weave of the narrative. The story of Elisha and the Shunammite is a brilliant anthology of such charismatic touches. The wife tells her husband that she must go to Elisha. He is baffled: "it is neither new moon, nor sabbath" occasions when a wish and a prayer would be appropriate. Like us, he expects her to mourn. Her attitude is clear: "It shall be well."

Seeing her from a distance, Elisha sends his servant to ask if everything is well with her husband and child. Her reply is not a lie. It is an act of faith. She says everything is well, until she is able to catch Elisha by the

feet and remind him of her earlier response to his promise of conception: "Did I not say, Do not deceive me?" It is not a reproach, it is a recollection of the bargain made between them.

Elisha sends Gehazi ahead. He is to salute no one nor return any greeting. He must lay the staff of Elisha on the child's face. He does so. *It does not work.* Elisha then "put his mouth upon his mouth, and his eyes upon his eyes, and his hands upon his hands; and he stretched himself upon the child; and the flesh of the child waxed warm. Then he returned, and walked in the house to and fro; and went up, and stretched himself upon him; and the child sneezed seven times, and the child opened his eyes." A strenuous mira-

cie, worked at by the prophet – worked on by the mother's refusal to accept death. It shall be well. Elisha is compelled by her firm extension of his promise not to deceive her – an insistence which is half an act of faith, half an assertion of rights. Then there are the seven sneezes – absent from the New English Bible and therefore from the original Hebrew – which are put there by a writer touched in his imagination by the power of indecorous detail to deliver life itself to us. The same writer had the taste and judgment to drop the exclamation "O" from "O my head, my head" and thus capture for all time the glazed lineaments and flat voice of ordinary death. All this art is in the Authorized Version. Read it in this extraordinarily cheap edition.

On December 8 1995 Jean-Dominique Bauby, 43-year-old editor of the magazine *Elle*, picked up his son from his home in a Paris suburb, test-drove a BMW back on to the autoroute, overtook a car which he saw double, and collapsed into a coma. He awoke three weeks later, paralysed, unable to speak, yet with his mind intact, alert, enraged. The only movement he could make was to blink his left eyelid.

There has been no literature describing what it feels like to have locked-in syndrome, because of the inability to communicate. But by his razor-sharp wit, Bauby had been writing a modern version of Dumas' thriller *The Count of Monte Cristo*, in which Grandpapa Noirtier spends his life slumped in a

wheelchair, mute possessor of terrible secrets, able to communicate only by blinking his eye: one blink for yes, two for no. With his speech therapist, Sandrine, and Claude, a young publishing assistant, a similar code was worked out for Bauby. The alphabet was reordered according to the frequency of the letters in French, and each day for three hours Claude recited: E, S, A, R, I, N, T, U, while Bauby blinked his eyelid at a chosen letter. Over a year, letter by letter,

word by word, his blinking eyelid dictated *The Diving Bell and the Butterfly*. It is one of the most extraordinary books I have ever read. The title defines Bauby's polarised condition: the restrictive diving bell is the prison of his body, the butterfly his thoughts, memories, flights of imagination. His dramatic monologue evokes now his hospital room at Berck Plage on the Channel coast, more wheelchair on the beach than Ferraris at Monte Carlo. Now it veers off into a holiday dream, a rhododendron-lined Breton road. Now it wanders in space, set for "Tierra del Fuego or for King Midas's court..."

You read the book at one go, so gripping is this voyage to the inner heart and mind of a man for whom nothing else is left. Then you look up astonished at the monochrome world outside, dull compared with the remembered bliss and instants of grey terror in these pages. This is a great book not simply because of its resilient spirit, its insight into suffering and isolation, or even because it addresses the dark night of the soul that

we all fear or endure. What demands to be heard here is an original voice making this vibrantly, insistently, a tale for our times.

For Bauby brings to his memoir the cast of mind that made him a successful journalist – worldliness and energy, precision of detail and irony, the instinct for a good story, absolute lack of sentimentality. Each of the 28 mini-chapters describing

THE DIVING BELL AND THE BUTTERFLY by Jean-Dominique Bauby

Fourth Estate £9.99, 137 pages

his bath, wheelchair, old girlfriend, bets on a horse, is a friend of that French journalistic dictum "étonnez-moi". He surprises and jolts us along on his way to disaster, and in painting dazzlingly the remnants of the world we are engaged in, makes us ask the meaning of our own lives.

Take the moment when he first sees his post-coma self. The build up never prepares you – it is about the Empress Eugénie, patron of the Berck hospital, commemorated in a stained glass window. An 1894 newspaper describes her visit, and, ward to ward, "I followed her hat with its yellow ribbons, her silk parasol and the scent of her passage". Then "one afternoon as I confided my woes to her likeness, an unknown face

came between her and me... the head of a man who seemed to have emerged from a vat of formaldehyde. His mouth was twisted, his nose damaged, his hair tousled, his gaze full of fear. One eye was sewn shut, the other goggled like the doomed eye of Cain. For a moment I stared at that dilated pupil before I realised it was mine. Whereupon a strange euphoria came over me. Not only was I... reduced to a jelly-fish existence, but I was also horrible to behold". Then he laughed at this "final buffet from fate", and now stained-glass Eugénie grins at him in amusement.

It is all there – horror, loss, self-mockery, the memory of sensual pleasure, the need for female comfort, the consolation of history and art. Bauby's perspectives are never still. Only when his children visit, his daughter doing cartwheels on the sand while he sits rigid and mute in his wheelchair, does he weep. It is a timeworn image – Thomas Mann's elderly repressed Aschenbach and the cartwheeling youth Tadzio in *Death in Venice*, for instance – given new life by Bauby's fallen-angel prose and by the immediacy of his references – the girl chanting pop songs, the boy wearing sneakers whose heels light up every time he takes a step.

Fine writing is the lasting achievement here. "How can I start to recall those long

futile hours, as elusive as drops of mercury from a broken thermometer? How can I describe waking for the last time, heedless, perhaps a little grumpy, beside the warm body of a tall dark-haired girl?" The climax of the book, Bauby's "last moments as a perfectly functioning earthling", reads like a dizzy stream-of-consciousness voice, randomly recalling from the dead. Yet the chapter is a formal masterpiece, setting the vernal city, the last business lunch, the outraged phone call from a celebrity dissatisfied with her photograph in *Elle*, against death and eternity.

"I am transferred, limp and sprawling, into a wheelchair. The BMW's doors click softly shut. Someone once told me that you can tell a good car by the quality of that click". It is today's version of those 16th century vanity paintings which show the skull behind the ermine and jewels; like a vanitas, it is tenderly done.

Last month, four days after the book appeared in France, Bauby died. Art holds the mirror up to reality by showing us the extremes – in comedy or tragedy. Bauby's case of locked-in syndrome was rare, but it reflects many aspects of 1990s life – our loneliness, our search for meaning, our dependence on sophisticated technology which answers physical but not emotional needs. "I need to feel strongly, to love and admire, just as desperately as I need to breathe" Bauby writes from his prison of tubes and wires. This is a memoir where the man speaks for the moment, and it is one of the great books of the century.

Jackie Wullschlaeger



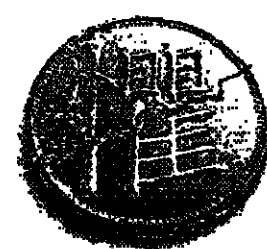
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BOOKS

Triumphs and torments on and off screen

Nigel Andrews on two showbiz stars who have attracted celebrity by default

Last year Dudley Moore and Liza Minnelli re-teamed for an American concert tour. 15 years after their first hit partnership in the movie *Arthur*.

Between these heights came a 16-year slough of despond, private and public, for both parties. As well as divorces, there were addiction problems and miscarriages for her, failed films, an attempted murder charge and a car crash for him. For completeness, we might as well add the shared career debacle of *Arthur II*.

For both Moore and Minnelli, however, the show goes on and here are the biographies to prove it: two books on two tough showbiz elves who stride towards our hearts through the penumbra of personal anguish. Neither book is exactly Proust. But both glue themselves to the reader's hands and Paskin on Moore comes close to being the Weeping Clown blockbuster of the decade.

What a story. Boy born with club foot in Dagenham steps growing at five foot two. Mother does not lavish enough love on him, so he remembers forever a kind nurse's kiss. He is a successful cabaret pianist even before making *Edinburgh* and West End history with *Beyond The Fringe*. Cometh the 1960s, he goes to Hollywood and is hailed as a sex symbol in *10* and as the man you would most like to meet at an Alcoholics Anonymous meeting in *Arthur*.

Meanwhile, though, he cannot bolt the door on his unstable love life. For one thing it is a revolving door, ushering in wilful blondes with weird names like Tuesday (Weld) and Brogan (Lane). For another, Moore

is still making up for the love he did not get in infancy.

The plot darkens as career disappointments and marital breakdowns drive him into the hinterland of his Marina Del Rey beachfront mansion. Here, when sacrificial goats are not clogging up the canal or a severed hand washing up at his French window (this is Los Angeles), his fourth wife-to-be accuses him of trying to strangle her after she crashes his car into the house. Dudley's police mug shot is splashed across the world's tabloids.

DUDLEY MOORE
by Barbara Paskin
Sidgwick & Jackson £16.99,
452 pages

UNDER THE RAINBOW: THE REAL LIZA MINNELLI
By George Mair
Aurum £16.95, 242 pages

Mercy be. But then being a star in a foreign land has special pressures. I met Moore once at this very mansion, when I conducted a jet-lagged interview full of questions that I now see have plagued the poor man for years. Had he gone Hollywood? Was he rocked by the vagaries of fame? And what had driven him to his involvement with psychotherapy, where he was patiently guided to self-awareness by the wife of comedian Phil Silvers?

For all its moments of borderline black comedy, this 450-page psychodrama is remorseless, eventful and involving. As much as the failed films and marriages, the liaison with comedy partner Peter Cook is at its heartbreaking centre. Cook,

we learn, was drunk during several stage performances, for one of which he had to be dragged from a hotel bed; he wept at airports; and he publicly derided Moore for his height, his handicapped foot and his alleged hunger for fame. Cook becomes the book's dark second hero: a Gloucester to Moore's Lear, going through similar horrors and disenchantments, only worse, quicker and more bitterly.

Moore himself has been saved to date, *dicit* Paskin, by music and a sense of humour. Though his authorised portraitist quotes him as telling her "I am waiting to die," the two grand pianos stand back to back in Marina Del Rey like bulwarks against despair. And career crony Liza Minnelli cites the performer's saving ability "to step back and be a third person when he's talking." Moore, she says, "sees himself either whingeing or whining, and suddenly he turns it into a whole comic routine."

George Mair, Minnelli's chronicler, has a less developed sense of humour; though we hope he is joking when he calls Liza and her cabaret-artist first husband Peter Allen "the Scott Fitzgerald and Zelda" of their time. And there is little evidence of primary sources in *Under the Rainbow* (Paskin, for the record, has spoken to just about everyone in Hollywood).

Though both protagonists ended up as showbiz troupers, Minnelli's origin was in spectacular contrast to Moore's. Life with famous parents Judy Garland and Vincente Minnelli created a claustrophobic drama of nepotism, mother-child jealousy and spectral echoes in Liza's voice and manner of Judy's



own. But how bizarrely alike are the Dudley and Liza stories in other ways.

For both, early triumphs were followed by tormenting failures - quick in five seconds name me a single film Minnelli has been in since *Cabaret* excluding the aforementioned *Arthurs*. Both have shored up their reputa-

tions with concert appearances and TV specials. And both play hide-and-seek with the media, usually when caught in wildfire romantic imbrolios.

Minnelli's five-week affair with Peter Sellers must hold the record for an unlikely match, struck against the tinderbox of world astonish-

ment. It beats even Moore's partiality for alternating between towering blondes and volatile child-brides.

But when stars do not keep us surprised off screen as well as on, what are they for? Once upon a time the movie Minnelli dazzled us with her pixie face, tremolo personality and voice that

could outthray an entire brass section. When ensuing scripts failed to provide the opportunity to do it again - any more than Moore's in-tray allowed him to reprise effectively his bumble-bee charms of *10* and *Arthur* - offscreen tragicomedies, willed or not, became a sort of substitute.

It is celebrity by default the private life as a public spectacle. The press will always be there to catch you and snap you when you fall. And a biographer will always be there to sign up a film star's full nine lives, even if only the first ones were lived significantly on screen.

Rereading / Karl Miller

Quiet, interesting and humane

We've all heard of Prussian officers, one way or another. But Prussian novelists? And Prussian adulterers? The 19th-century writer Theodor Fontane deserves to be better known in this country, where two of his novels have appeared, in excellent translations, as Penguin Classics. Each is about illicit love.

Nationality is never simple. Fontane was of French parentage and grew up in North Germany, where he acquired an attachment to the old Prussia, with its Junker aristocracy. He served as a correspondent during the Franco-Prussian war, and he worked as a journalist for a paper of the reactionary right, as a press censor, and eventually as secretary of the Prussian Royal Academy of Arts. He

is said to have been known for his opinions, and for the discrepancies between them. At the late age of 56, in 1876, he began to write novels.

The Woman Taken in Adultery came out in 1882. If his fiction can be credited with an autumnal air, this book also has the gaiety of the old, which can seem youthful. In both books, a girl is mated with an older husband. In this one, Melanie van der Straaten's "supremacy depended on self-control". Her secret desire is to be free. She takes part in her wealthy husband's badinage, which carries an anxious erotic

charge, but wants it to stop. His fun conceals pain and a touch of aggression. At one point he affects to feel sorry for his younger child: "neglected because she looks like me". On the next page but one, neglect returns to his thoughts during a brilliant scene of his about a capsize domestic aquarium: "all the monsters of the deep were wriggling all around us, and a large pike was investigating Melanie's instep to the deliberate neglect of Aunt Riechen's". The house harbours a huge doll's house complete with mangle and wash-tub; three years before the publication

of the novel Ibsen's *A Doll's House* had been staged, in which Melanie's constraints are prefigured.

She falls in love with a young banker, Ebenezer Rubehn, regretting, at first, his lack of "a Christian, Germanic sort of name". They run off. She utters a romantic truth: "One can be true by being untrue." Her husband behaves generously, movingly; but to run off is to go into free fall, to lose your name.

Fontane lost his opinions, it has been suggested, when he took to writing novels. Or he might say that his opinions found an

equilibrium, which belonged to the country of the resolved or transcended contradiction, homeland of the philosopher Hegel. Rubehn says of Melanie's judgmental older child: "She may be right. But so am I." Elsewhere in Fontane a sympathetic man says: "And if I had said the opposite, it would be equally right." It's hard to say whether he leans more to the verdict passed on Melanie by her austere society or to the imperative imposed on her by a devotion to her romantic truth. But there can be no doubting his sympathy with her. We have been

programmed to feel for such fugitives from the doll's house, to make much of their portraiture in 19th-century fiction, and to forget that the creators of Emma Bovary and Anna Karenina had stones to throw at their fallen women. Fontane is very much aware of the fault committed by his fallen women, while writing very tenderly about them.

He was an Anglophile visitor to England who liked Scotland too and wrote a book about it called *Beyond the Tweed*. Rubehn plays on the piano a song with the words "My coat will guard you from the storm". This

looks like a translation of Burns's "My plaidie to the angry air". "Cheer up," Rubehn then says to Melanie, in English.

He didn't want, said Fontane, to write about sensational things like the activities of England's Jack the Ripper, but about insignificant things, making them interesting. Both of these novels tend towards a rural quietness reminiscent of Jane Austen's; practically none of their things is insignificant. *Effi Briest* is the bleaker of the two. Effi dies in the course of the ostracism that follows her fault. Her lover, all the more

of a presence for being intimidated rather than characterised, is slain in a duel by her husband, who reveres a tendency in the earlier novel by becoming less agreeable under pressure. In this one, winter has come. It is a beautiful book, profoundly humane.

Fiction/Iain Finlayson

Young love and cynical sex

The *Hottest State* is a little out of the run of celebrity novels: Ethan Hawke takes the trouble to write with some insight and style. This is not only a celebrity novel, it is a young man's novel, inevitably autobiographical in spirit as much as in resemblance.

The author is a twenty-something actor who appeared with Robin Williams in *Dead Poets Society* and starred in the virtual two-hander, *Before Sunrise*, directed by Richard Linklater. Hawke's theme is first love, and generally he makes a good-enough fist of it.

His hero is a young, gauche (though self-confident) 21-year-old actor working out of New York.

His central plot largely revolves around a trip to Paris with his girlfriend, a *jolie-laide* twentysomething singer called Sarah, to make a film closely resembling *Before Sunrise*. William and Sarah meet, they fall in love - William to the point of infatuation - they split, meet again, finally split again when some sort of reality strikes.

Hawke is revealing and, in a gawky manner, sincere about the heart-aching devastation of obsessive first love. There's a lot of door-bell-ringing, singing in the street, awkward exchanges of confidences, and sweet puppy-sex. The dialogue sounds accurate in its breathlessness, its throwaway insouciance concealing adolescent anxiety; the

development of character, though a little perfunctory, results in some self-awareness and the acquisition of experience.

Through the fabric of the novel seeps a painful hon-

THE HOTTEST STATE
by Ethan Hawke
Flamingo £9.99, 196 pages

SAFE SEX
by William Edgar Boggan
Fourth Estate £9.99, 355 pages

esty and a realisation that this first love is as good as it gets. Ethan Hawke is something more than a celebrity author - he turns out to be a writer.

If *The Hottest State* is a mildly melancholy novel based on a romantic theme of young love, *Safe Sex* by William Edgar Boggan is, contrarily, a fast-paced, relentless, ideological novel of cybersex with a gratuitous peppering of high-grade graphic sex. There is a thread of romance between the 20-year-old hero, Wiley Jones, and the young HIV heroine Alix who collaborates, in bed and out, to take out their employer Matt Brackett, a foul ultra-Right Wing fascist

who charges extortionately for access to his comprehensive Aids database. He employs them to work on "Survivor", a giveaway Aids magazine that is a front for his crudely ultra-rightist, racist, anti-gay, anti-libertarian views expounded on his talk radio station.

Wiley, who has run away from home to Atlanta to write *The Great American Novel* (*Safe Sex* is not it) is strangely attractive to women - at one point, he is running four of them and, of course, sex is the lever he and Alix use to engineer the downfall of Matt Brackett, who is a closet sexual philanderer. Hoist with his own petard of Aids, Matt is foiled in his mission to propagate his message of hate to America.

Safe Sex bids for the computer nerd market that needs to feel good and sexy about computer hacking. The novel has a certain wild energy, but it is primarily a vehicle for cybersex that will thrill the graphically-minded who press buttons and expect pop-up icons to give them their thrills. It may be no coincidence that the initial letters of the author's name spell out WEB - he probably has his own cyberspace site, where this novel properly belongs.

What will the future be like? Freeman Dyson is a professor at the Institute for Advanced Studies at America's Princeton University, and he reckons that the future will be miraculous. But also, from time to time, exceedingly dangerous.

Imagined Worlds grew from lectures Dyson gave in Jerusalem in 1995, and deserves to be read for its elegance and sagacity.

Dyson says that science is his territory, but science fiction is the landscape of his dreams. He is reverential about H.G. Wells, maintaining that although Wells usually failed when attempting to predict the future, he succeeded when imagining future worlds, because he used his skills as a novelist to enlarge our vision and remind us of our responsibilities.

Fashionable scientific topics such as complexity and string theory, and fashionable environmental problems such as global warming and over-population, are passed by in silence in *Imagined Worlds* - because Dyson says he has nothing fresh to say about them.

"In discussions of human affairs, I turn for guidance not to sociology but to case studies and science fiction. For me, Wells's *The Time Machine* provides more insight into past and future worlds than any statistical analysis, because insight requires imagination."

Typical of the book's attractions is the chapter on possible human development over timescales of 10 years, 100 years, 1,000 years, 10,000 years - and beyond. "Only after we have specified the timescale can we speak of future possibilities with some degree of clarity," says Dyson.

A real brave new world

of economic tensions today, Dyson argues, is the unequal distribution of wealth and skills between rich and poor countries, and between rich and poor groups of people within countries. He sees scant scope for reversing the trend towards greater inequality within a mere decade.

A decade is a typical timescale for a scientific revolution, and over the next 10 years humanity will start to see the fruits of the revolution in digital astronomy (giving us survey maps of

IMAGINED WORLDS
by Freeman Dyson
Harvard University Press £22,
216 pages

the observable universe) and of the human genome project (precise digital mapping of genes and chromosomes). In 100 years, all of us, as individuals, will be dead. But because our species has evolved to survive on a timescale of hundreds of years, we have loyalties to family, tribe and institution that transcend our individual lives.

A hundred years marks the outer limit of technical predictability, says the professor, who thinks that over the next half-century the dominant technologies will be the present ones of petroleum, computers and biochemistry, together with the two newcomers: genetic engineering and artificial intelligence. In 100 years' time, he says, those two newcomers will be mature and ready to be superseded by something else, perhaps by radio-telepathy.

Over the next century, ecological problems - primarily human over-population and ecosystem destruction - will intensify, and come to dominate political affairs. But new technologies may help with some problems, such as racial and religious animosities.

"Space colonisation," says Dyson, "may make it possible in the long run to alleviate the conflicts between discordant human ambitions on a shrinking planet... I have no doubt that cheap space travel will sooner or later be developed."

On a timescale of 1,000 years, neither politics nor technology is predictable, China and Japan being the only major political units that have lasted that long. But the diversity of languages, cultures and religions is likely still to exist. And humanity is likely to undergo accelerated speciation - division of one species into many - as we expand our living space away from the earth. Our descendant species will become many, filling in all likelihood a variety of ecological niches in different physical environments. The reason human speciation will be accelerated, the professor says, is that whereas speciation in nature occurs over 100 years or more, ours, pushed by genetic engineering, may be witnessed within a millennium or less.

Dyson finishes with a cautionary yet not unhelpful chapter on ethics and social justice. "If technology continues along its present course," he concludes, "ignoring the needs of the poor and showering benefits upon the rich, the poor will sooner or later rebel against the tyranny of technology and turn to irrational and violent remedies - impoverishing rich and poor together, as such rebellions always have. The trick will be to head things off at the pass. The future will not, ultimately, belong to scientists, but to moral philosophers."

Michael Thompson-Noel

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ARTS

Faces from the grave

William Packer reviews the extraordinary Egyptian mummy portraits at the British Museum

Resonably regular visitors to Prints and Drawings at the British Museum will be more familiar with these extraordinary works of art than perhaps they realise. For a few of these portraits, painted on wood or scraps of linen in late Ptolemaic times and through the long Roman occupation of Egypt that followed, have usually been on show in the short corridor leading immediately to it. Hurrying through, they may well have been brought up short, if only for a moment, transfixed across some 20 centuries, by so evident a human likeness and sense of shared humanity.

Any such momentary frisson of recognition, however, can hardly have prepared us for the full experience. Set, as they are here, into their immediate and proper historical context, and their peculiar place in the history of art adjoined, they are more extraordinary, more truly shocking still.

These mummy portraits, for that is what they are, have been known of as curiosities since the early-16th century, but their full quality and significance only recognised with the development of a more thorough and scientific archaeology in the 19th. In the 1880s several cemeteries were discovered in the Fayum, the district around Lake Moeris, a little to the south-west of Cairo. Their portrait trophies were largely dispersed among collections in Europe and the US.

Sir Flinders Petrie was rather more methodical in his excavation of an important Roman cemetery at Harara, again in the Fayum, in 1887-8, and the bulk of Fayum material in British collections was acquired through him. So rich and particular were the finds in the area that it was long supposed the portraits were peculiar to the Fayum, though with other important centres discovered at Saqqara and Thebes, the practice is now known to

have been rather more widespread.

The idea of the external representation of the human face and figure on the mummy was of course nothing new to Egypt. What makes these later mummies so special is that while they mark the continuation of historic Egyptian burial practices into Roman times, they also bring to them a measure of the humanistic sensibilities of the late Classical world - for large Greek colonies had been established in Egypt ever since its conquest by Alexander in 332 BC. In their departure from a purely Egyptian graphic stylisation for a Hellenistic naturalism, these portraits remain to us as the sole surviving examples of actual Graeco-Roman painting. In their final period after about 300 AD, especially in the faces from Deir el-Bahri, near Thebes, where there was a Coptic monastery, and from Antinopolis, a formal character creeps back in at the expense of the natural, that clearly foreshadows the Byzantine icon tradition.

As to technique, they are painted either in encaustic or tempera, which is to say with the pigment bound either in a wax or an egg-based medium. Once set hard, both are equally stable and long-lived, as the difficulty in getting dried egg off a plate would tell us. So they have proved, and the pristine freshness to which these images have been restored after centuries in the sand is not the least remarkable of their qualities.

The encaustic paintings, all on wood, have the more physical substance on the surface and are the more robust and direct in the handling, which reflects the natural character of the medium. So it is too with those in tempera, being flatter, drier and more particular in the drawing and modelling. The shape of the support, whether wood or



One of the only surviving examples of Graeco-Roman painting: portrait of a woman in encaustic on limewood, AD 55-70

linen, is invariably asymmetric, to allow for its incorporation into the final, often wonderfully elaborate binding of the body. The portrait masks of modelled and painted plaster are sometimes even more disconcertingly naturalistic.

There are still mysteries to resolve about these strange, beautiful, rather eerie things. Even their quality as actual portraits from the life is in question, for obvious practical reasons. Certainly

throughout the best, the strongest period, from about 50 BC to 150 AD, their distinctiveness is such that there seems no doubt they are indeed particular and personal portraits. And indeed recent research has been able to match the facial character of the image to the particular skull inside the shroud.

But when, then, would the portrait have been taken - during the fatal illness; just after death; from memory?

So youthful are so many of these images, their subjects would seem either to have died before their time or made very early provision. Yet, with plenty of time, would not the portraits then have been more fully worked?

As they are, they show every sign of having been done at a fair speed, conforming to a set pattern as though the artist knew very well what he was about in getting a satisfactory like-

ness to order, under just a little bit of pressure, with his tricks of the soulful eyes and half-wistful smile. Would he have been there, one of the embalmers' team, on that first day of preparation, with just a morning to do the job? Perhaps.

Ancient Faces - Mummy Portraits from Roman Egypt: British Museum, Great Russell Street WC1, until July 26 presented with the Fondazione Memmo.

Theatre/Sarah Hemming

A talent to disturb

A body of plays by young writers is building up that will shed disturbing light on the late-20th century for drama students in years to come. First there was *Blasted*, then *Ashes and Sand*, then *Shopping and Fucking*, each of them thrusting hapless characters into a violent nightmare, now, at the hands of Soho Theatre Company, comes Alex Jones's very good and terribly distressing *Noise*.

This is one of the most upsetting plays I have ever seen. It builds to a violent climax which, when it comes, has the audience writhing in their seats. Leaving the theatre afterwards, it took a long time to walk off the shock. It is distressing on many counts, and, as with all plays that use violence, worrying. There are a couple of moves in it that are so sickening that they provoke objections. But when the shock has burned off, the main feeling is sadness - and that, I suspect, is the point. Alex Jones, like so many of our young playwrights, is concerned with dramatising the hopelessness of the have-nots in today's Britain, and he does so with a force that is like being socked on the jaw.

Jones brings us two sets of people trapped in a prospect-less world - a couple who try to improve their lot and a man who reacts by giving two fingers to everything - and shows how the first is destroyed by the second. The main characters are Dan and Becky, two teenagers from the Black Country, newly-wed and expecting a baby. We meet them as they move into a Housing Association flat. In Gideon Davey's design this is a grim, windowless room that looks like a cell in hell, but Dan and Becky are delighted with their new home.

From the moment you see them, however, you are nervous, waiting for something to go wrong. First you think it will be the arrival of the baby. Dan, though genuine and hard working, is obviously not fully prepared for the role of father. But Jones has a different sort of hell in mind for the newly-weds. As they settle down with their first cup of tea, their neighbour

sets up playing techno music at ear-splitting level. Soon Dan and Becky are wan and worn out, kept up all night by the terrible noise. This is bad enough, but when the offending neighbour, Matt, pays a visit, fear takes the place of desperation. It is soon clear that Matt is an individual with a serious loose connection. Curled by boredom, poverty and self-loathing, he is a violent and unpredictable man, who seems intent on destroying the young couple.

The play is very well written, exceptionally well directed (by Mark Brickman) and superbly performed. You care about Dan (Graham Bryan) and Becky (Samantha Redmond) and you feel as if you are in the room with them. Redmond, in particular, in her perilously short maternity wear, is most touching. Andrew Tiernan, meanwhile, as the neighbour from hell is like a caged lion and his sheer presence in the room is nerve-wracking. When he finally explodes, you feel as if you are cornered yourself, and his assault on the couple is terrifying.

No one could accuse Jones of glamorising violence. But there are always worries about violence on stage and the concern here is that it involves a pregnant woman. The sight of the huge and violent Matt kicking Becky and threatening her with a Stanley knife is unbearable. There is the sneaky fear that Jones has perhaps chosen this image because it is so horrifying and will make his point. The other reservation is that by strapping the play to such violence, he overstates his already strong case.

But, then again, we live in a world where a girl can be bludgeoned to death while painting her patio doors and children gunned down in their school hall. Perhaps Jones's terrible picture of an alienated screwball destroying a life-to-be is the only logical response to such a violent world. He certainly writes with fury, passion and compassion about those whose voices are seldom heard.

Continues at 21 Dean Street, London W1 to April 26 (0171 420 0022).

Off the Wall/Antony Thornecroft

Musical chairs

headed by Vivien Duffield, is on target, having raised £54m to date. The work force has been cut from 830 to 540 with few problems and the extra costs, from paying rent for theatres and playing to a smaller box office, will be covered by £20m from the lottery.

Among the six new opera productions on offer are *The Merry Widow* and *Il barbiere di Siviglia* at the Shaftesbury and Handel's *Giulio Cesare* at the Barbican, while Plácido Domingo will sing *Parsifal* for the first time in a concert performance at the Festival Hall (top seat price £90.) All in all the ROH enters its period of great uncertainty in better shape than many predicted.

The D'Oyly Carte has just received a life saving £250,000 from the Arts Council which will enable it to tour Lehar's *Count of Luxembourg* and the G&S *Iolanthe* this autumn, with premieres at the Wolverhampton Grand. It

now needs to find a permanent home. Wolverhampton is obviously a possibility; so is Newcastle; or any other city prepared to put up at least £250,000 a year to house the company.

The builders move in on Monday to London's Barbican Theatre to give it a £1.9m refurbishment that will fit it for opera and dance by the autumn, not least that supplied by the itinerant Royal Opera and the Royal Ballet.

The Barbican's former company, the RSC, has also embraced the travelling life. Artistic director, Adrian Noble, has decided to vacate the Barbican during the summer, and is energetically promoting his company as the "Theatre for the Nation".

He is taking three productions on the road this year - with *Henry V* starring Martin Sheen visiting the larger regional theatres, *Cyrano de Bergerac* with Anthony Sher serving the medium sized venues, and *Romeo and Juliet* the community and sports halls.

Noble reckons that 75 per cent of the UK population will have a RSC production within a 45 minute drive of their homes. The touring is funded by the Arts Council but it is the continued freeze of the council's grant that confronts Noble with an anticipated £900,000 deficit by the end of 1997. On top of the static grant the opening productions at Stratford this year have been performing below target, notably *Cymbeline*. Noble remains committed to presenting every work in the Shakespeare canon, despite public indifference.

London is not giving up its position as one of the two players - along with New

York - in the market for Impressionist and modern art without a struggle. Last December the picture was bleak. Sotheby's big winter sale brought in just £13.5m, well below the £18m anticipated and a pittance compared to November in New York, which had managed \$61.35m.

It was little better for Christie's, with London producing £12.6m as against \$82.5m from New York. Blaming VAT and EU bureaucracy, the re-emergence of Paris as an art centre, and the overall dominance of American wealth, the critics were prepared to write off London.

The Impressionist teams in London, led by Melanie Clare at Sotheby's and Jussi Pytkäinen at Christie's, were under the greatest pressure to pull in big pictures for the 1997 summer sales in June. Most important collections come through personal contact, although, in these competitive days, the marketing packages and the guaranteed prices conjured up by the rival auction houses also sway sellers.

It seems as if they have risen to the crisis. On June 24 Sotheby's is offering the most expensive "modern" picture to be offered in Europe since 1960 - "Harvest in Provence", a watercolour by Van Gogh which is considered his greatest work on paper still in private hands. It is being sold by the family trust of its last buyer, Mrs J.B.A. Kessler, and should bring in £5m.

To set it off Sotheby's has just secured 21 Fauve and German Expressionist paintings and sculptures from the collection of the Canadian property magnate Charles Tabachnick, which are valued at £2m-£10m. Bought cheaply in the 1960s and '70s, they are now highly sought after and two paintings, by Klee and Van Dongen, both carry estimates in excess of £1m.

Television/Martin Mulligan

Blood and bust-ups

Chicago figures intermittently as a character, the viewer always dimly aware of the wider urban landscape beyond the swinging doors of the ambulance bay. This week for instance the Bamble-eyed Jeannie (Gloria Reuben) and her beau embrace in the floodlights of Water Tower Place, that emblematic downtown landmark.

Yet within modest parameters *ER* at least tries to present a muddled moral universe rather than a sanitised one. The Aids theme, for instance, is the unfolding story of Jeannie and again this week in the experience of the 17-year-old with cystic fibrosis who wants his family to allow him to die.

Unresolved sexual tension seems to be reaching epidemic proportions. Dr Mark Greene (played with a hint of vulnerability by Anthony Edwards) is an unlikely Don Juan seeking advice from man-of-the-world Ross (played as a darkly handsome rogue by George Clooney). Greene's encounter with his former patient Penny restored the force of that word "stripping" recently hijacked by Channel 5 for its fixed schedule policy.

The Surgery and *Children's Hospital* tug harder at the heart strings, not least because the medical dramas being enacted in these fly-on-the-wall documentaries are real. *The Surgery* was the first in a three-part documentary focusing on GPs in a Manchester inner city practice. *Children's Hospital* fixed its attention on young

patients and staff at Liverpool's Alder Hey hospital, including twin toddler sisters undergoing hole-in-the-heart operations and a premature baby with dire breathing problems.

While the viewer has to admire the dedication and skill of the hard-pressed warriors of the NHS front-line, questions scratch at the base of the brain: should authentic medical cases be served up as entertainment? Would you want the cameras intruding on your ordeal or private grief? It seems at times a kind of pornography. Another question left unanswered by *Children's Hospital* is: what on earth are three-year-old children doing wearing gold ear studs?

Silent Witness, a forensic crime thriller, is only the

next logical stage in this entertainment trend. Convergence of television's detective and medical genres is driven by the same commercial logic that puts a tandoori pizza on a supermarket shelf - ie. if it works, blend it in due course with another hot product. Here the important difference is that they cut up corpses on slabs, dead bodies as distinct from live, squirming ones.

The second episode of this drama showed us sensitive but tough-minded pathologist Dr Sam Ryan (Amanda Burton) on the trail of yooz gone bad. As if to respect the rules of little tragedy, the gruesome murder of grandma took place off-camera. *Silent Witness* caricatures the social ills of contemporary Britain in much the same way that *ER* caricatures contemporary Chicago, beefing them up this time rather than toning them down for its audience. Its moral universe was clear-cut ("I blame the parents").

Still tired of the UK election run-up? Now sick and tired of medical drama into the bargain? There's always the radio.

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ARTS

Retreat from the musical fast lane

Andrew Clark talks to Hakan Hagegard about his music centre in Sweden

Imagine a building halfway between a Viking barn and the Sydney Opera House. Set in a forest of tall, thin, snow-covered trees and herds of reindeer. Link it to the outside world with fibre-optic cables. Then you have something resembling the Hagegard Music Centre in western Sweden.

The centre is Hakan Hagegard's response to the problems and demands of high-speed life in the music industry. It has 23 private rooms and facilities for recreation, study, rehearsal and recording. Hagegard built it because he believes performers need occasional respite – a place where they can meditate and renew themselves.

Hagegard, 52, is one of Sweden's best-known singers. He made his name more than 20 years ago as Papageno in Ingmar Bergman's film of *The Magic Flute*. He also thinks deeply about the problems of his profession – early burn-out, commercialism, declining audiences – and wants to spend the last part of his career feeding back some of the lessons he has learned. He says young artists today seek

success too quickly. Travel, loneliness, empty rehearsal rooms – all take their toll on a musician's private life and creative reserves.

Although the idea for a music centre had been germinating in his mind for some time, an encounter with American psychiatrist Peter Ostwald in the mid-1980s helped to clarify its purpose. Ostwald was the moving spirit behind a US medical support programme for performing artists. "He said it was necessary for the brain to slow down in order to think new thoughts – otherwise we tend to circulate the same thoughts, arranged in a different order. I told him this was exactly what I felt about singing. We learn 20 songs in school and spend the next 20 years singing those same songs. We travel too fast, we don't give ourselves time to invest in the future."

But how was this related to the idea of a music centre? Surely most artists have their own way of recharging their batteries? "Some do, but I could quote many examples of burn-out. How you cope with the pressure depends on personality. Some have their own way of dealing with it. Martti Tuovola had a sheep farm, others have their own inner retreat. My music centre is just one small contribution. Most artists live in the city. Here we have clean water, clean air, plenty of space, Nordic light, natural materials. It seems to meet a need."

Hagegard raised most of the \$4m building costs by exploiting contacts in Swedish business in the late 1980s. The centre opened in 1992, has a permanent staff of five and is non-profit-making. Some performers pay their own way, others are sponsored. Some of his backers wanted a perfor-

mance space, as a built-in source of income, but Hagegard decided against it. "The centre is a hideaway, where you can lock the door. The key for me was mental training, the need for artists to feel safe. Ostwald used to talk about guilt artists feel guilty about not having done enough work on a piece, not enough research, not treating themselves in a way that they can perform at their peak. Guilt creates fear, which is unhealthy. Many performers are scared to talk about these things because they're afraid they won't be heard."

Most visitors follow a similar pattern of behaviour. A string quartet, for example, will initially appear restless because they do not have their music to hand. On their second day they will start looking through the windows, a sign that they are beginning to unwind. By the

third day they are ready to play again. "They pick up the music they're motivated for – not because they have to. 'Have to' is a problem for us as performers: it becomes a luxury to sit and let the inspiration come. 'Input' should be central to what we do – the artist drawing on his surroundings to stimulate creativity."

Hagegard's input currently takes the form of a world tour, ranging from Lisbon to Melbourne, San Francisco to Santiago. He views the contact with artists of other cultures, other forms of music, as a creative stimulus. Each stop on the tour is comfortably spaced.

Surely, then, the solution is better time-management? Wouldn't artists be better off accepting fewer engagements? "It's hard to tell them that. It's

also a difficult concept for managers and agents. What we must do is talk more about it, bring it into the open. Of course, sometimes you have to take on an engagement. Everyone has to earn a living."

Which brings us to the relationship between creativity and money. Hagegard poses the question: to enhance creativity, do you triple the artist's fee or halve it? "You can argue both ways. At some festivals, you sing for no fee, just for board and lodging, and a lot of creative things happen. This intrigues me: creativity is freed when there is no pressure of money. Maybe there are other ways of running the business. In Norway, they have artists' salaries, paid by sponsors. The artist doesn't have to perform for the sponsor, but he has a steady income, he can work. Just like Haydn."

But does Hagegard believe composers of Haydn's stature exist today? "I think it's a matter of getting pieces performed, of education, of status. Why did Benjamin Britten produce so much? Did Aldeburgh play a role? Or maybe he had the tools for getting his pieces performed. The links between composers and performers are not good enough – I would welcome a lot more sitting together. In Scandinavia I see creative people going down into the basement again to do new things. They've given up on the big theatre."

The gentle tones of Hagegard's speaking voice belie the strength of his conviction. At his masterclasses he demonstrates an eagerness to share his philosophy of life and art with a younger generation with humour and style. The emerging talents of today will disregard his words at their peril.

Hakan Hagegard gives a recital at New York's Alice Tully Hall tonight. Other stops on his world tour include Hong Kong (April 25-26), Sydney (May 7-10), Taipei (May 24) and Prague (June 2).

A labour of love for his people

Richard McClure talks to the Brazilian photographer Sebastião Salgado about his work

When a photographer is as widely acclaimed as Sebastião Salgado, his work is not just a collection of images. It is a labour of love for his people.

Salgado exhibits his new work in such cultural backwaters as Colchester and Rotterdam, it would seem to imply a loss of standing. This, after all, is a man more used to gracing the walls of the Royal Festival Hall or Madrid's Biblioteca Nacional.

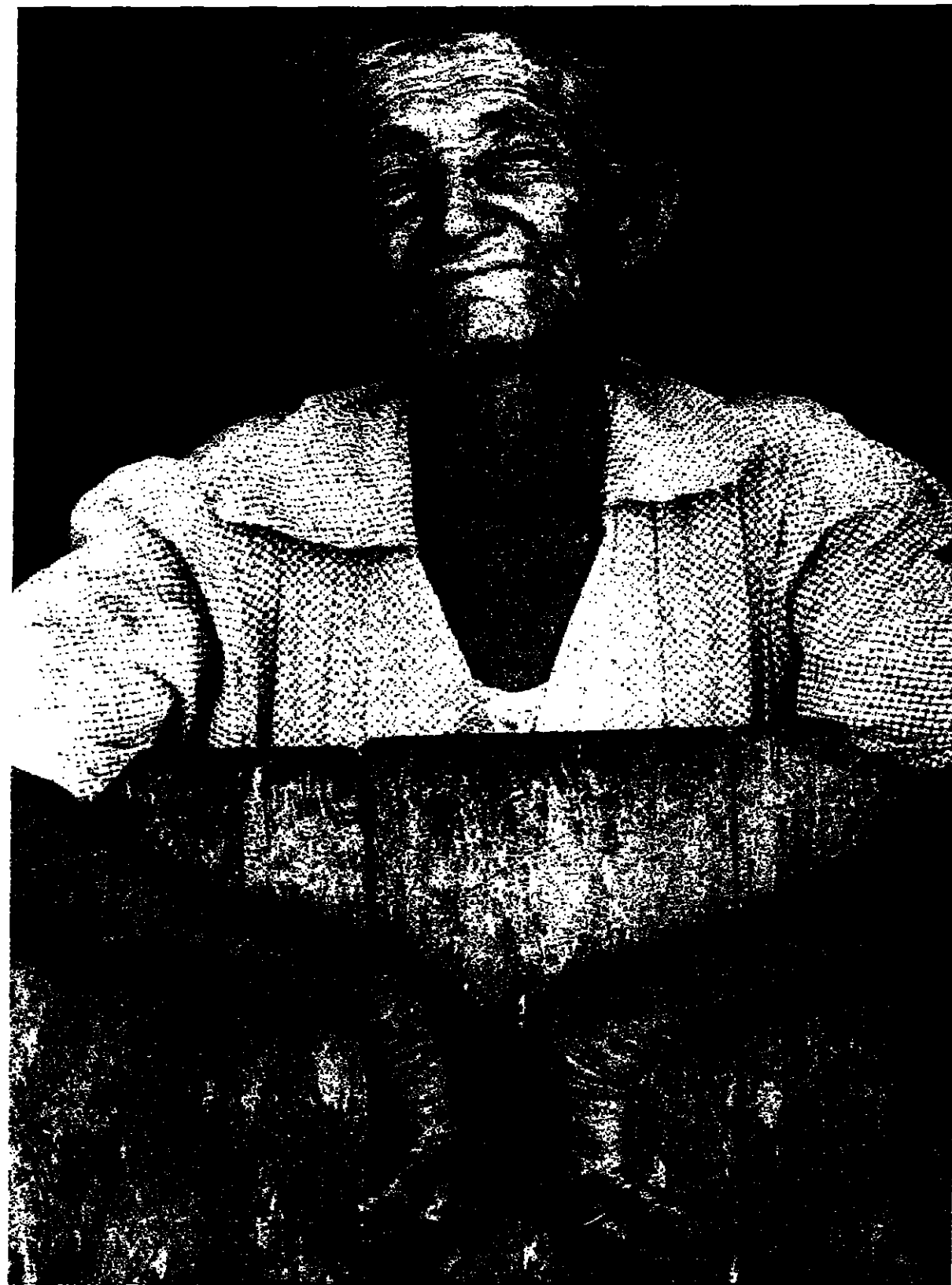
But the choice of provincial universities and small-town art galleries as venues for his current show does not represent a reversal of fortune for the Brazilian photographer. Instead it is his latest strategy to pro-

seasonal workers toiling in a feudal system where absentee landlords use jaguars, hired guns, to protect their vast, but largely unproductive, estates.

"The aim of the project is to put pressure on the Brazilian government to provide land for the peasants," explains Salgado while packing for his next assignment at his Paris office. "Given land, the peasants can work, produce and become consumers. Their sons and daughters will have no need to become bandits and prostitutes. This is not a socialist revolution but a fight for dignity." "Dignity" is a word which recurs often in Salgado's conversation. It is also a theme which presides over all his pictures. Defiantly emotive, they elevate the peasants' daily struggles and rituals to heroic heights: pilgrims carry stones up mountains as offerings to God in exchange for rain; a child is buried with her eyes open so she may find the path to heaven. Drenched in lavish chiaroscuro and Catholic mysticism, these epic narratives may be too grandiose for some tastes, but, at their best, they are deeply affecting testaments to human perseverance and the sanctity of life.

If the peasants' plight is sadly familiar, it is the extent of Salgado's personal involvement which makes his work unusual. In a field where we expect to find detached reportage, Salgado is a champion for the cause. His images impassioned calls for social justice. Like the BBC's Martin Bell, Salgado preaches a "journalism of attachment", maintaining that the media must have a moral dimension and discard its self-imposed neutrality. Salgado takes this stance further: in *Terra*, the photographer is not merely a compassionate observer but political dissident.

"Only a landscape photographer can remain impartial," insists Salgado. "As a social photographer I must take pictures with my ideology, my position, my way of



"Only a landscape photographer can remain impartial": one of Salgado's emotive portraits of Brazil's rural poor

thinking. I cannot keep a distance because I have lived with these people. I know their story and I cannot be outside of this. My pictures are not products, they are part of people's suffering. Nor are they propaganda because I don't set up my photographs. I show only what is happening."

Salgado can call upon a firm grasp of geopolitics to support his stance. With a doctorate in economics, he initially worked in Africa for the International Coffee Organisation and his pictures are captioned with detailed statistical analysis. Although drawn to the camera in the late-1960s when the Civil Rights movement gave rise to "the concerned

photographer", Salgado places himself in a broader tradition of socially conscious photographers, citing the Depression-era work of Dorothea Lange and that of Margaret Bourke-White, whose records of Buchenwald atrocities were used as evidence at the Nuremberg trials.

In truth, neither comes close to matching Salgado's devotion to "knowing the people, becoming close to the subject". Yet, at times, this intimate, ethical response restricts his scope for expression. Even a wedding feast is depicted as a desolate affair, as though Salgado fears any show of vibrancy will dilute his message.

Nor is he above relatively crude tactics to put his point across. His portraits of sad-eyed children at a peasant encampment are overtly didactic even without Chico Buarque's heartfelt poetry which is displayed beside them. Here, one feels, Salgado strays from the persuasive to the manipulative, his ideology swamped by excessive sentiment.

In Brazil, however, the project has already accomplished his twin aims of "raising awareness and provoking debate". The posters have been shown at a number of universities and he points to a recent opinion poll which indicates widespread support for the movement. For Salgado, though,

there is still work to be done. His next book – also in conjunction with Christian Aid – marks the 50th anniversary of Indian independence by chronicling the nation's destitute. His reforming zeal remains unquenched.

"Ninety per cent of the world's population live their lives in pain," he says. "I believe they have a right to be protected from this because we are all responsible for what is going on."

Terra – Struggle of the Landless is published by Phaidon. The exhibition begins at St James' Church, Piccadilly, London SW1 on April 17 before touring Britain.

Opera in Belgium/David Murray

A plot-free spectacle

This is the time of year when many European capitals cheer themselves up with festivals of contemporary music. In Paris and beyond, Radio France has been running its intensive annual survey (most concerts free to the public); Helsinki celebrates its Biennale. If there is a contemporary opera that wants performing, so much the better: for Brussels' Festival Ars Musica, the Opéra National has had Robert Wilson in to stage the late Luigi Nono's *Prometeo*, not in their La Monnaie theatre but in a lofty old covered market, the Halles de Schaerbeek.

Taking *Prometeo* out of a conventional opera-house was the right idea, but it should have gone further – right out of any staging whatever. Nono, an Italian upper-class convert to Communism, was also fired by Meyerhold's visions of expanded popular, political theatre. Both of his earlier "operas", *Intolleranza 1960* and *Al gran sole carico d'amore*, strove for plot-free populist spectacle whilst pursuing a rigorously new, post-Darmstadt music: the workers who were duly invited to listen found themselves bemused (though sometimes stirred).

Prometeo – "Prometheus" – grew fitfully over several years; Nono finished it, or at least stopped adding to it, in the mid-1960s. Massimo Cacciari's text proposes no visible action, being a collage of fragments (often barely audible) from Hesiod, Aeschylus, Hölderlin et al. which bear upon the Prometheus myth. The original performances sought to place it and the audience in a magical "acoustic space", where the elaborate "live electronics" required could make their maximum effect alone.

For Brussels, Wilson decided to give the audience something to watch. While the music – nearly all of it extraordinarily slow, though divided between many groups of voices and instruments all round the hall – went on, for more than two hours, a young troupe from the Performing Arts Research and Training Studios performed infinitely slow evolutions in white and grey practice-clothes, sometimes with poles or large rings.

We really did not need that. Since the evolutions went nowhere, and were nothing but an abstract accompaniment to Nono's score, it would have been better – and less boring –

just to listen. The music sounded scrupulously prepared, as directed by Peter Eötvös and Kwamé Ryan, and performed with great concentration by five soloists, the Solistenchor Freiburg and members of the La Monnaie orchestra. The "live electronics" were unambitious, compared to the latest IRCAM products I heard at La Villette in January.

In Ghent I caught up at last with Robert Carlsen's staging of *La Bohème* for the Flanders Opera. It has been doing the European rounds for some time now, pleasing audiences but dividing critical opinion sharply. Like many Carlsen productions, the current cast is sound, with mostly American principals – and a superlative Colline from Christophe Fei – conducted with a sure hand by Silvio Varviso. The production, however, is the thing.

Sets by Michael Levine, again dramatically simple, and again superb lighting by Jean Kalman. In Act 1 Rodolfo's crowded little garret is marooned in an endless field of snow, which is equally a wasteland of Rodolfo's discarded manuscripts. Everybody seems to be dressed by Oxfam: Carlsen aims to re-create a more modern "bohemian" world, not a smart-but-seedy café society.

Indeed, the Café Momus act becomes a hippy festivity on a greensward, like Woodstock or Glastonbury. The garret's tall stovepipe serves as a maypole, and by the end there is a cheerful, innocuous orgy going on. (Some critics found that too much: I thought it an amusing filip, consistent with Carlsen's whole idea.) The snow is back for Act 3, in which Rodolfo and Mimì are both knocking back cheap wine straight from the bottle; but for Act 4 Rodolfo's garret floats in a sea of yellow blossoms, as foreseen in Act 2.

Nothing in the dramatic action seems diminished by Carlsen's pliant twisting, which lets the performers play out their roles unhindered – unlike many fashionably modern re-creations. Evidently he sees Puccini's *dramma lirico* as a "comédie larmoyante", a comedy with sad bits, rather than a miniature tragedy with some capering at the edges. Yet he brings Puccini's opera much closer to the feel of Mürger's original *Scènes de la vie de bohème*, a grimmer view of feckless sentiment and poverty than the picturesque romance we usually see.

The week that put the tat in Tattler began with a bizarrely surreal touch from which it never quite recovered. Was it imagination or, hovering between sleep and wakefulness, did I hear Radio 4's *Prayer for the Day* giving thanks for beauty and goodness in the voice of publicist Max Clifford? It established a looking-glass world which the rest of Saturday's radio could not match.

Not *Loose Ends*, now almost self-parody, with unfunny Antipodean comic, Camp Cuddihy, and lugubrious Irish songstress whose portentous drone evoked a mix of Dylanesque earnestness and the bum notes of Peter Sellers' immortal send-up. Not even the pre-election special that revealed disgruntled middle classes rebelling, corruption reaching officialdom, a population steeped in soap opera, and the US nervously rethinking its close alliance – that was Mexico, of

course, in *The Americas File*.

The air of paradox continued with Sunday's *In Business: Bosses in Revolt*. Sweden, once the byword for impregnable public-funded social security, is having second, third and even fourth thoughts. When they started explaining how the state could no longer fork out money it no longer had, it began to sound familiar. We could do worse than watch the Swedish advance into what they call the post-welfare state era. Particularly fetching was the electric car adopted by the green campaigner called Ribbing (like the conspirator in the Swedish-set *Ballo in maschera* but slightly less blood-thirsty);

down to "old technology", apparently, and the first car to do more than 100 kph. "Environmentally healthy," said Ribbing, adding in a rather un-Swedish way, "and great fun."

Paradox loomed large in *A Breath of Fresh Air*, one of those modestly unheralded treasures often associated with Martin Wainwright. He commemorated the "fresh air schools" that reached their height between the wars, that golden if goose-pimpled age of the Fresh Air Movement and the Sunshine League. Councils could send poor children to these country establishments on the grounds of respiratory com-

plaints, malnourishment or "failure to thrive".

Gentler than previous municipal institutions, the child-oriented classes were designed like cricket-pavilions, with one wall missing, open to the elements, so that the pupils brushed snowflakes off their work in winter or bathed in vernal scents and sounds, watching the occasional hedgehog pass. There were singing lessons in the woods with portable gramophone. In Castleford they leapt from the classroom to do detective work on animal tracks in the snow. In Bristol the school started with chairs and rugs in a park, sheltering under a bandstand, exercising

often to keep the circulation going, the ink frozen into a solid block. Very much kill or cure, as Wainwright nervously put it; but the system worked. In 1919 careful records showed an extraordinary improvement in height, chest measurements and blood haemoglobin in a mere eight months.

The survivors sounded magnificent. At 92 Florence Wood recalled her TB-stricken family and the industrial pollution she had escaped. Others remembered the dedicated teachers, unsung pioneers in education, who made the children feel they were capable of learning. "They taught you how to learn," said one old pupil

incredulously. "I could take in Pythagoras' theory and understand it." Many of the children jumped the class and professional barriers, thriving intellectually and socially as well as physically. What on earth happened to the idealism behind the fresh air schools?

More paradoxes with *Meddlesome* when Matthew Parris, so strenuously propagated (not least by himself) as political journalism's Mister Nice, just for a moment sounded as shifty, evasive and self-contradictory as any politician or journalist in their respective, much-maligned professions. The revelation of last Sunday's

programme was the payment of £250 exacted from a French correspondent to travel with the prime minister for a day, while still being refused admission, along with the rest of the foreign press, to the Tory press conference. Gallic thrift was outraged and no wonder.

Radio 5 Live's *Sisters in Arms* deals with the biggest paradox of all: women terrorists. The start of a series, Sunday's survey reminded us of the chillingly dehumanising effect of a political cause, any cause – and the equally dehumanising effect on the enemy.

One anti-terrorist expert even recommended that in a confrontation or siege the women should be targeted first as they were the more determined and more likely to protect the bloody business than the men. Another case of women having to outdo men at their own game simply to be accepted?

JPK 100150

SPORT

Sporting Profile

Leap, run and jump into the uncertain future

A one-time publicity junkie and 400m runner has opted out of the spotlight to train for decathlon glory, finds Keith Wheatley

Du'aine Ladejo will compete next Thursday in Los Angeles in the first decathlon he has attempted since quitting the spotlight of the quarter-mile and spending almost a year re-training for track and field's toughest event.

Though once renowned as a publicity junkie, the darling of that cross-over land where good-looking male sportsmen become Gladiators, TV presenters or tabloid columnists, Ladejo has been firmly out of the media spotlight for the past nine months.

His days have been spent learning to shot-put, practising the intricate geometry of the javelin launch and sand-pit tactics of the long-jump.

"It's a lot more training than 400m, for obvious reasons," said the runner. "I sometimes train three times a day, seven days a week. Because of having different coaches, the locations can be all over England."

Ladejo has been voluntarily unemployed in a financial sense, moving from a high-earner portfolio of sponsorships and appearance fees to living on his savings. For his Olympic campaign last year Ladejo was sponsored by Adidas which, with unconscious perspicience, twinned him on a "Then & Now" poster advertisement with Daley Thompson, the greatest decathlete of modern times.

"It's a huge gamble for Du'aine. If he succeeds in the decathlon, becomes another Thompson, let's say, then he'll be looking at a prodigious earning power, although at the moment it's zero," said his manager Charles Mesdon.

Far from parting reluctantly with the glamour and high-profile of his previous event, Ladejo, 26, maintains that he was constantly a square peg in a round hole when it came to the single-lap race.

"I always found the 400m frustrating because I couldn't physically explode," he said before leaving for the US.

That whole race is about

control and tactics. You can't ever just throw your maximum effort in. Eight of the 10 events in decathlon are about power, length and speed. Look at something like discus or long jump. You don't have to think your way through them. In the 400m, you have to settle back and play with the throttle the whole time. It just wasn't appealing to me."

There have been people in the athletics world, competitors and fans, who saw this whole change of

'Thompson has seen me train... and it's fair to say he's excited by what I might be able to do'

heart as a rationalisation of defeat, a scaling back of ambition.

"Ladejo has always talked a huge act and when he didn't deliver in Atlanta, he needed to find a way out and an explanation," said one correspondent.

That is a harsh judgment, but it is certainly true that in the aftermath of the Stockholm indoor European championships last year, 400m gold medalist Ladejo built himself a huge media profile by telling any journalist within earshot that he was going to give Michael Johnson the race of his life when the summer Games came around.

In a gesture of bravado that must now haunt him, the British runner dyed his hair gold to make sure that no one was in any doubt over his Atlanta goals.

In the event, a blood virus cruelly destroyed Ladejo's chances in the Olympics. He was eliminated in the second round - Johnson, the eventual gold medalist, drawn in the same group, ran more than a second faster than his cocky rival. The only consolation for the



Briton was a squad silver medal for the 4 x 400m relay, although he did not run in the final.

In their inimitable fashion, the London tabloid newspapers then trashed the athlete they had lionised just a few months earlier. "Atlanta was a pretty terrible experience and the press were the worst bit. They just tore me apart," said Ladejo.

It was on the flight back to the UK that he began to reflect on whether he was truly committed to the event that had made his name. In a chance mid-air conversation with Tessa Sanderson, the 1990 Olympic javelin champion, he

recalled that during his schooldays it was always the throwing and jumping events that were his first love.

"Running the 400m, I often felt 'What does it mean?'," he recalled. "Nothing! In long jump you're the furthest. High jump the highest. With middle-distance it's just against a clock. In the decathlon it's a serious attempt to be the greatest all-round athlete."

Thompson has been a hero of Ladejo's since the latter was a child. He says he was thrilled and flattered by the Adidas poster last summer. "It was ingenious and clever on their part, although they

had no idea at all what was going on in my head," he maintains. "It was almost the only thing that made me smile in the whole Atlanta experience."

Thompson has been in touch with Ladejo throughout the winter, offering motivation and encouragement.

"He's seen me train in a few single events and it's fair to say he's excited by what I might be able to do," said Ladejo. His 100m, 400m and 1,500m running events are looked after by long-time coach Tony Hadley. In the javelin, European champion Steve Backley is teaching Ladejo to throw and said to be more than satisfied with

his progress. Hurdling is being looked after by Graham Knight and pole-vault, perhaps the most technically demanding event, by Peter Sutcliffe, coach to British record-holder Nick Buckfield.

As an example of how daunting the technical events can be, Dan O'Brien the current Olympic and world decathlon champion, didn't qualify for the 1992 Games because of failing the pole-vault height threshold in the US trials. He now manages routinely to clear 5.0m whereas Ladejo's recorded best is 3.6m, though there are claims of 4.5m in training.

"There's no doubt that training has to be focused on your weak events and that can be tough," agreed Ladejo. "There's a temptation to go out and grandstand in the disciplines you're already good at, but that won't get you the points."

In the complex scoring of decathlon, one needs a minimum of 8,000 points to be in the international top echelon. O'Brien's world title was won with 8,891, whereas Thompson's personal best was 8,847. So far Ladejo's recorded personal bests - although not in the context of a full decathlon - give him 7,963, so he could be described as

well on the way.

"Decathlon is like golf, you're playing against yourself and your strengths and weaknesses the whole time. That's what I'm really beginning to enjoy," said Ladejo, on the eve of what could be one of the most remarkable reincarnations in modern athletics.

"I could have been bored but earning a really good living grinding out the 400m at Grand Prix meetings, so it's been a huge financial cost and gamble," he said.

"But I'm enjoying the whole sport more than at any time since I turned professional. I'm using the money I stacked away to follow my dream."

Cricket

Fans will respond to sharper edge

Teresa McLean says it's no wonder the county game has lost its local support



On the attack: Andrew Harris playing for Derbyshire

As one who shares Matthew Engel's delight in the subtleties of county cricket, I welcome his bold editorial in this year's Wisden publication. English cricket has its problems analysed all the time, but answers are elusive, as one would expect of such a long, complicated game with such a long, complicated history.

Engel's article delivers some home truths about English cricket, but lack of space means he cannot treat them all in detail. England's recent failures as a touring side, for instance.

It is true that young sports fans seek heroes to imitate and admire. In the unsettled years of the 1960s, the introduction of the one-day game and of overseas cricketers disturbed the pattern of county cricket, but did not make hero-worship hard for me.

My only problem in that department came from the dreary indifference to cricket displayed by my family and friends. How could I dash up and help the 1968 crowd to dry the Oval turf with cardigans and handkerchiefs on the last day of the last Test against Australia, ready for Derek Underwood to bowl his triumphant 7 for 50, when no one at home could think of anywhere worse to be on a wet day than a

cricket ground? I had to enjoy my excitement alone, but at least there was some reason to be excited, not the anticipation of the collapses that have plagued English tourists for the last five years, until this winter in New Zealand.

The last few years at home have not been brilliant, but not so bad. It is overseas that England have been doing so badly, while the England A-team flourishes, winning their last three tours in fine style. Last winter Nasser Hussain led them to victory over Pakistan A. His tour average with the bat was 62; for England in New Zealand he averaged 30.

It is almost like a suffocation that afflicts the English players as soon as they go abroad with the English team and it was a relief to see the mature Robert Croft refusing to succumb and playing well last winter.

I think England badly need a strong pace pair to open the bowling attack: there are some good, hostile county bowlers such as Dominic Cork and Philip de Freitas but they only go to pieces when they play for England.

Last season, county cricket showed these two playing for Derbyshire alongside their

imported Australian companion and invigorating captain, Dean Jones, in a bowling attack which, with Devon Malcolm and young Andrew Harris, could boast a pace quartet.

Alas, Derbyshire fans could only watch them last season at Derby and Chesterfield. This is one of the points where I agree most wholeheartedly with Engel: county cricket will never increase the number of its grounds at its disposal if it decreases the number of its grounds it uses.

I can see that grounds are expensive to run, but well-run, well-placed grounds attract spectators and earn good reputations for themselves.

Remembering my own experience again, there was always a chance of persuading my mother that a day watching Kent at Tunbridge Wells was worth a try, because it was only 11 miles from where we lived. Grounds in the London suburbs, on the Sussex coast or in Canterbury were too far away for uncertain visitors such as my mother.

She was one of the multitude of cricket tolerators with no special interest in the game, but willing to come with me if it was not too far away, the food and drink was nice and there was a

patch where children could play.

As county cricket seldom tries hard to provide such an atmosphere - even festival cricket, a popular outpost of the county game, is losing its grounds in sorry succession - it is not making the best offering of itself.

Kent still use their Tunbridge Wells ground and last season played two county games there, seven at Canterbury and one at Maidstone. Other venues such as Folkestone, Sittingbourne, Ashford and Eatham were not so lucky.

It's no wonder county cricket does not attract the same local loyalty as it once did. This was already weakening in the 1960s, with the arrival of one-day cricket, widespread broadcasting and with people's increasing movements between areas.

At the time I was watching Underwood's 1968 Oval victory for England, the old, lifelong villagers I knew at home cared little for cricket but did feel they belonged to their county and owed it a sort of passive, nostalgic support (not a hard task for Surrey residents in the 1950s). The Roses Match was still a sell-out most years and both Yorkshire and Lancashire were proud of their county identity.

Until 1992 Yorkshire held hero-

ically to their principle of only using Yorkshire-born players and I respected them for that, but could understand why they eventually dropped it as archaic and joined in with the other counties' market-place in players.

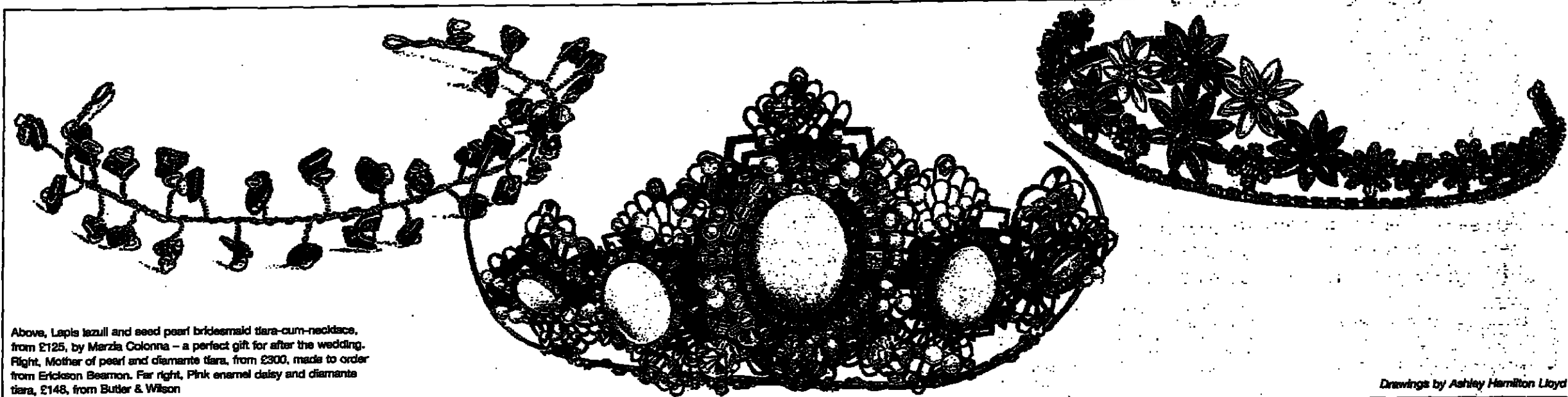
Football clubs play most of their games in the evenings and at weekends; cricket clubs play four-day county games mostly during the week, which presents obvious problems, but not incurable ones.

I am not certain that the idea of a two-tier county system would help with this. The danger is that the first division might cream off all the best players, leaving a depressed second division unable to attract ambitious young players.

By contrast, if all county games were more widely and more keenly played, I would go to more of them. There are still some of us who like the battle-plan depths of county cricket.

If the ECB can devise some sort of organisation and incentive scheme to spread county cricket and give it a sharp edge, fit it into limited space and urban life and make the best of publicity instead of shunning it, there are some of us willing to respond.

How to Spend It



Above, Lapis lazuli and seed pearl bridesmaid tiara-cum-necklace, from £125, by Marzia Colonna - a perfect gift for the wedding. Right, Mother of Pearl and diamond tiara, from £300, made to order from Erickson Beamon. Far right, Pink enamel tiara and diamond tiara, £148, from Butler & Wilson

Drawings by Ashley Hamilton Lloyd

The crowning glories of fashion

From the haute couture catwalks to nightclubs, tiaras have become the modern alternative to hats. Grania Langdon-Down reports

Tiaras may be back in vogue, as a recent exhibition of some of the grandest creations at a London jewellers intimated, and there is a resurgence of classical designs for wedding head-dresses. But who, apart from royalty, who has an opportunity to wear them? Anyone from 12-year-old bridesmaids to fashion nymphettes to dowager duchesses, it appears.

One of the keys to their revival is versatility - tiaras can now be worn as necklaces, broken down into matching brooch and earrings or worn flat as a headband. Tiaras that can move easily from grand occasions or weddings to cocktail parties and nightclubs can find a new role. For designers such as Karl Lagerfeld, tiaras are now the modern alternative to hats.

London-based jeweller Slim Barrett has been making Celtic crowns and tiaras since 1984. About three years ago, he made a crown for the



The versatile 'Julia' from Josie Baird Tiaras. The finest crystal is used for this tiara which unclips...

Lady of Knockalaine as a family heirloom to commemorate her OBE. "Tiaras only started being shown on the catwalks about 2½ years ago when John Galiano and Richard Tyler used some of my designs," says Barrett.

"The fashion press jumped on the bandwagon and since then everybody has started making tiaras." In the finale of Lagerfeld's last haute couture show in Paris, he

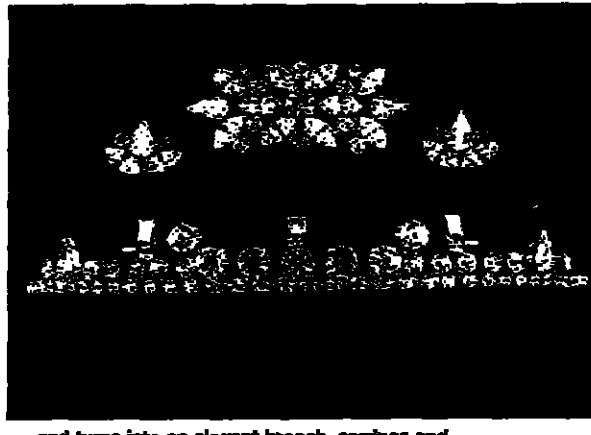
showed off finely knitted sterling silver necklaces used as tiaras.

Until about 18 months ago, most of Barrett's tiara customers were brides. "Now people are wearing them to parties and they are something between a fashion item and an art object."

His designs are mostly made of sterling silver with mother of pearl, faux pearls and Austrian crystal.

Starting at about £120 for the simplest, the average price range is £350 to £700, although he has made some to order for over six figures.

It was the idea of treasured pieces of jewellery being worn only once before being consigned to a drawer or safe - or even the children's dressing-up box - which set 79-year-old designer Josie Baird thinking. She was about to close



... and turns into an elegant brooch, earrings and a head band.

down the Museum Replicas jewellery business she had started 27 years ago and retire when she decided instead to launch a new range of tiaras which would have a life long after the wedding was over.

Her five different tiaras, made in silver or gilt with crystal and faux pearls and costing between £35 and £145, are cleverly designed so they unclip to provide a detachable brooch and matching earrings.

"I like the idea of making something which can go on giving pleasure for a long time and is not worn once and then forgotten," says Baird. "It has proved a tremendous frolic. We recovered half the £5,000 launch costs in the first three weeks of trading. I just had a hunch that it was the right time to go ahead and make tiaras that could break down into separate pieces of jewellery - it seemed a sensible contemporary version."

Geoffrey Munn, managing director of Wartski jewellers and a specialist on the Antiques Roadshow, had been thinking of holding a tiara exhibition for two years: "I didn't realise it would prove such a white-hot idea. I have been handling tiaras since I started working here 25 years ago. What has happened is the nymphettes have come out of the woodwork and these paper-thin, shadowy fashion ladies are very keen on tiaras."

"But at the same time, Maureen, Marchioness of Dufferin and Ava, held her 90th birthday party at Claridges, attended by the Queen Mother, and they all wore their tiaras - these were venerable ladies returning to what they know."

More than 5,000 people squeezed into Wartski's, 16 at a time, to see the glittering collection (*One Hundred Tiaras - An Evolution of Style 1800-1990*), raising about £30,000 for the Samaritans. Alongside very grand tiaras from the Russian and French crown jewels, and seven on loan from members of the British royal family, were those made of much more modest materials - jet, rhinestones and pinchbeck.

Vivienne Westwood designed one for the exhibition, while others were loaned by celebrities including Elton John, who claims never to travel without a tiara, Dame Edna Everage, Joan Rivers and Joanna Lumley.

Munn says: "If I had tried to hold the exhibition during the recession, I think it would have been deeply frowned upon. People are more prepared now to take on something frivolous, pretty and expensive."

Simon Wilson, designer with Butler & Wilson, created one of Dame Edna's tiaras on show at Wartski's with "maggstar" spelt out in scintillating stones. Butler & Wilson started designing a large range of tiaras about two years ago when the

transform their day suit into an evening cocktail outfit.

"Fashion is generally becoming more feminine and glamorous. Women are no longer trying to prove the point that they are in with the lads and that frivolity doesn't exist."

Working from her studio in Dorset, Colonna has found an increasing number of commissions for women invited to tiara parties.

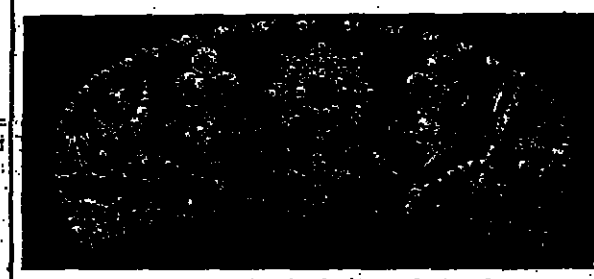
"Charlotte Morrison, for instance, had a tiara ball down here and I had a succession of women coming to my door asking for something to match their dresses."

Vicki Beamon, of Erickson Beamon, said: "The whole jewellery market is going very romantic. We did some designs for Anna Sui, the New York designer who is very much into the babydoll pyjama grunge look. I

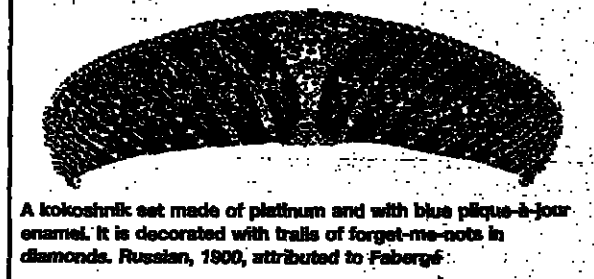
thought tiaras would be as short-lived as the grunge movement but they have just kept on growing."

"We have just finished all the collections in Paris. One of the strongest was Dries Van Noten for whom we did a lot of hair ornaments. We are doing very good business with softer-looking tiaras with beading, which we will match to people's dress fabrics."

■ Slim Barrett, Studio 6, Shepperton House, 83-93 Shepperton Road, London W1, tel: 0177-354 9392; Josie Baird Tiaras, 11 Gloucester Crescent, London NW1, tel: 0171-485 6082; Butler & Wilson, 20 South Molton Street, London W1, tel: 0171-489 2855; Erickson Beamon, 39 Elizabeth Street, London SW1, tel: 0171-259 0202; Marzia Colonna, The Old Manor, Evershot, Dorset, tel: 01935-83541.



A gold tiara in the form of a traditional Russian head dress called a kokoshnik set, with faceted and cabochon rubies and diamonds. St Petersburg, 1890, by G.E. Bolk.



A kokoshnik set made of platinum and with blue pique-a-jour enamel. It is decorated with trails of forget-me-nots in diamonds. Russian, 1890, attributed to Fabergé.

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HOW TO SPEND IT

Fashion

What makes Gucci and Prada great?

Vanessa Friedman goes in search of why two designer houses have successfully captured the imagination and cash of so many customers

I confess: I don't get it. The fervid adoration which lights up countenances when the names "Prada" and "Gucci" are mentioned, the clothing lust that sends customers racing to the stores as soon as a new line comes in, the seemingly unending "hotness" which has more than doubled both houses' profits in the last two years and sent them on the road to ubiquity, escapes me.

What is it about black nylon and slinky jersey that is so unique? How is it that clothing can create its own sub-culture?

After two years of being puzzled as friends waxed rhapsodic over their new Prada coat, or called to confess they had gone out to buy bread and come back with new Gucci sandals; after two years of hearing about fashion editors tussling and fighting over the latest "must have" in Milan; and after the recent autumn collections, when Gucci and Prada were once again proclaimed leaders of the pack, I decided ignorance was no longer bliss. It was time to find out what, exactly, was so great about Gucci and Prada.

I looked at the ads - where the interest that would lure a shopper into a store is created. Gucci was all louche, debauched women and sultry, seedy men; played on the floor or a beach, they reeked of post-party satisfaction and *crazi* in lurex and knits.

Prada was sweeter but still decadent: a lone girl-woman adrift in a boat or slumped on a chair, slightly corrupted innocence in a chiffon dress. Both campaigns were full of atmosphere - but not, necessarily, clearly photographed clothes, and these, I thought, were the point of the thing. Maybe the merchandisers could provide clarification.

"Gucci and Prada both owe much of their success to their marketing campaigns and their quality and style," says Anne Pritchard, Harrods' director of fashion. "Plus, the relationship between quality and price is a fair one."

"The lines are very well-cut, and the fabrics are lovely," adds Nicole Fischlis, fashion director of Saks

Fifth Avenue. "When I first started buying Prada women's wear six years ago, the thing that attracted me to it was its luxurious simplicity; it looks like conventional bourgeois clothing, but has an incredibly modern cut," says Josephine Turner, the owner of A La Mode, the first boutique to stock Prada in London. "You have to try it on to understand."

And that's the problem. I need first-hand experience. I need to shop. At 11am on a Saturday, Prada's store in Sloane Street, London, was already bustling: couples picking up and putting down shoes, young women running in and out of fitting rooms, and - the ultimate signal that a fashion house has become part of fashion history - a pair of knock-off

'Designers realised if they could create a "brand" they could create their own community'

artists photographing everything in sight.

I cast my net wide, picking up a flowing, to-the-knee dark blue skirt (£275), a lavender sweater (£235), a plain black sleeveless dress (£495) and a nylon shirt-dress (£570) that bore an alarming resemblance to a nurses' uniform. On me, none of it looked particularly extraordinary and, indeed, the shirt-dress, which featured large pockets over the hips, looked fairly horrific ("We haven't sold any of those yet," admitted a saleswoman).

Then, however, I put on the black dress and, like Saul on the road to Damascus, I suddenly saw the light. Apparently simple, it was very intricately cut - and incredibly flattering. I felt a sudden and powerful desire - and, for the sake of my bank balance, decided it was time to go to Gucci.

Gucci was so busy it was hard to find a saleswoman, but most of the activity was

centred on the shoe and bag department. When I got to the dressing rooms with my selections - a crocheted day dress, a pair of khakis and a long bias-cut evening dress - I was the only one there.

This was a relief when I put on the day dress (£360) and discovered it was, in effect, transparent ("Well, you could wear it with a bodystocking," said a saleswoman doubtfully, "but we recommend a G-string.") The khakis (£160) were just that: khakis, aside from a small silver "G" hanging off a belt hook, and but for the fact that they were about six too long, there wasn't much to distinguish them from their high street brethren.

The evening dress (£560), however, was a different story. Like the black dress at Prada, it was deceptively simple and transformative, the kind of garment that is unmistakably the work of a master. In it I felt sexy and smart and kind of sarcastic - I felt, in fact like the ad - and if I had had a place to wear it to, I might have bought it. But then, I realised, I could follow the example of the other shoppers and buy a bag as a kind of practical and economical souvenir of the dress-derived sensation.

It is generally accepted that the bread-and-butter of both houses lies in their accessories and, indeed, an ad-hoc survey of their clientele reveals that, while 99 per cent admit to owning one of the omnipresent Prada nylon sacks, or a pair of Gucci loafers, few have bought more than an item or two from the ready-to-wear collections.

"I buy a lot of Gucci shoes," says one woman who visits the shop at least once a season, "so does my husband; he probably has around 16 pairs. They're incredibly well-made - even the men at the shop where we have them mended say they buy their shoes at Gucci - and they last. They also have a certain style, which picks everything else up."

As for the Prada bag, again the same words come up. "It lasts forever," says another woman, "you don't worry about plonking it on the floor, or getting it dirty because you can just wash it off. And it doesn't call a huge amount of attention to itself; it's functional and fashionable."

Even the less basic and familiar accessories - the beautifully constructed Chinese-brocade evening purse at Prada with a wrought-metal clasp, say, or the horseshoe-bit patent leather heels at Gucci - display an attention to detail that gives them a kind of secretive seduction.

While appeal-by-association might explain the accessories, however, and sheer artistry account for the evening wear, I was still unclear about the root of the ubiquity: why, for example, Gucci doesn't just sell a few white tuxedo suits, but sells out; why Prada has a lengthy waiting list for its new, Oriental-inspired platform sandals.

Unclear, at least, until I turned to the society pages of a high-circulation glossy magazine and saw Tania Bryer and Yasmin Mills photographed at a Fashion Week party in the same Gucci lurex dress, and Jennifer Jason Leigh and Meg Tilly, in the same Prada car coat. Such publicity is priceless and has a trickle-down effect on the culture. Let's call it the "If she's wearing it, it must be hot" syndrome.

"It's like what happens in high school," says Ann Hollander, a historian of art and dress and the author of *Seeing Through Clothes*. "And it's been going on for hundreds of years. Balzac wrote about it in terms of the first French department store, which provoked a kind of mass hysteria in women. It's a confirming thing to be able to attach a prestigious name to your character, and it feeds on itself." So add the herd mentality to good quality and perfect cut.

Still, there had to be



PRADA



GUCCI

Poster girl Amber Valletta models the louche, sultry look for Gucci last year (right) and the sweeter, decadent look for Prada this year (top)

Above, a timeless pair of Gucci shoes with the archetypal snaffle

Images from Advertising Archives

another part of the puzzle as to how Gucci and Prada have managed to transcend the role of "clothing designer" and become, essentially, "clothing dictators" - the sartorial vanguard. You need something else to go from object to obsession.

"You need to somehow hook into the zeitgeist and make it your own," says Marshall Blonsky, a professor of communications at New York University.

"There is a basic tenet of postmodern theory which postulates the death of the author at the end of this century. Which is another way of saying that we have become 'collectised' - we take strength in the group. Fashion designers figured that out long ago, and realised if they could create a 'brand' they could create their own community."

The brands that Gucci and Prada have created for themselves are obvious: Gucci trades on the nostalgia for the free, irresponsible disco decade; Prada on the lure of the Lolita. Their images are, in fact, opposite sides of the same coin: the two faces of the 1970s, as filtered through a 1990s gauze (it is, perhaps, not entirely coincidental



William Dufresne in Prada kit for its '95/'96 campaign

that Amber Valletta, the new Prada model, was the Gucci poster-girl a year ago).

"The sexual revolution of the 1970s was cut off before its time," says Blonsky. "Leaving all this repressed global libidinal energy that was obviously going to return, and Prada and Gucci were smart enough to pick upon that and use it."

They were also smart enough to pick up on it and use it first, associating themselves and, by proxy, the people who wear their clothes, with the sense of being on the cutting-edge of the rapidly and ever-turning fashion wheel.

"They are offering people the thrill of the live-wire," says Blonsky.

"What people are buying when they are buying the clothes isn't just garments," adds Richard Martin, curator of the Metropolitan Museum's Costume Institute.

"They're buying a souvenir of their own or their collective past - a time when sex entered the modern world. The companies are trading on the reputation of an era."

Thus, when you buy a Prada skirt or a Gucci shirt, or even a Prada bag and Gucci shoes, you are not buying simply a well-made item, you are buying a lifestyle: an ethos and a past and an instant identity for yourself.

And it is this intensely perceptive image-making, backed up by perfectly wrought clothes, that makes Prada and Gucci so great - at least at this particular moment.

There is an inherent problem with this equation, however, a kind of built-in obsolescence: as more and more people buy into these brands, as their communities grow larger, their associ-

ation with the cutting-edge will necessarily dissipate.

Already much of the implicit irony in Gucci's juxtaposition of the classic with funky new materials and colours and its plastering of "G"s on everything, seems lost in a world where Noel Gallagher announces his mother has been "Gucci-ised". (As the Gucci shoe-lover says, "I bought the clogs a few years ago, but

they're just not funny any more.")

Already, the initial allure of Prada - its near-invisibility as a label - has been up-ended: it is now one of the most recognisable brands in the business.

Indeed, Josephine Turner stopped stocking Prada at A La Mode last year because of its over-exposure.

To maintain their respective positions, Prada and

Gucci will have to re-invent their image constantly (and Gucci, for one, has already started, moving its cultural reference point from the 1970s to the 1980s in the autumn collection).

The alternative is to suffer the fate of Armani, and become two more quietly successful design houses. I'll cross my Gucci boots, tuck my Prada bag under my arm, and wait and see.

CHRISTIE'S



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AUCTION:

London, 24 April 1997

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FOOD AND DRINK

Eating out

The appeal of *la cuisine du bonheur*

Sue Style discovers a good reason for visiting a small Swiss watch and textile town

The Rhetotel Fischerzunft in Schaffhausen is a surprising sort of place. To find it at all is the first challenge, tucked away on the banks of the Rhine in the old part of town. The problem is easily solved. The citizens of Schaffhausen are proud of their world-famous restaurant and almost anyone you stop to ask can give you directions – and will probably wish you *Guten Appetit* for good measure.

The next surprise is the building itself. Built in the 14th century, and formerly the meeting house of the fishermen's guild, it is now a beautifully restored hotel and restaurant. The exterior is washed in palest pink, the front door guarded by two ornate, inspired ornamental hounds. (A triumph of recycling, their coats are fashioned – it transpires – from mosaic-style fragments of broken china, casualties from the restaurant.)

Then comes the welcome. Swiss hotels and restaurants are renowned for their efficiency, less often for their *Gastfreundschaft*. Inside the Fischerzunft an unusually relaxed and joyous

welcome awaits you. Inquiries are made about your journey, formalities are kept to a minimum, bags are whisked away, a glass of champagne (or a local Pinot Blanc) is proffered to ease the tedium of registration.

The rooms, 10 of them, are a delight, done in subtle shades and fetching chintzes, none of the clinical white so beloved of Swiss interior decorators. Some give directly on to the Rhine. From your window you can watch the swans slide by and observe the moorhens and other river birds, bottoms up in the water. The appealing house motif of *la cuisine du bonheur* (which crops up on towels, bathrobes, napkins and menus) is represented by two frolicking fish in interlocking yin-yang mode.

Yin-yang, with its concept of contrast and complement, light and dark, masculine and feminine, is central to chef-patron André Jaeger's astonishing food. A native of neighbouring Canton Aargau, known in Switzerland as Ruebli-land – carrot-land, he spent several years in Hong Kong before settling back beside the Rhine. His cooking has developed gradually into an inspired blend of Europe and the Orient, with a discreet but definite dose of Swiss precision. Gault-Millau, the alternative French restaurant guide, gives him 19 out of 20 and has twice voted him *Cuisinier de l'Année*.

There are three menus to choose from (*menu du poisson*, *menu dégustation* with wines or *menu du bonheur*), or you can eat – à la carte. The *menu du*

bonheur is a happy choice. First comes a toothsome tempura of squid and scampi with slippery rice noodles and crisp spring vegetables. A piping hot rice soup with chard follows, discreetly spiced with cinnamon and enriched with lobster quenelles.

The petite lotte steals the show, wrapped in sweet-sour caramelised leek and served with a crunchy, corny polenta.

If you have to eat trout, Jaeger's dish of fresh and tea-smoked trout on a bed of carrot lozenges and spring onions may be the least palatable way of doing it. The *pot-au-feu* of baby beef or adolescent veal, depending on your point of view, is lightly devilled and comes with

its own greenery. The just melted (*blide*) *tomme* from lake Geneva is speckled with chopped dried herbs and flavoured with fresh herbs. An intensely citrus grapefruit sorbet with meringue wafers and a sauce made of an obscure but delicious exotic fruit is but a prelude to the final flourish: a pineapple mousse with a sharp fruit sauce and a nutty pistachio ice.

Presentation is stunning. Plates of many different sizes and colours are set on black lacquer trays and set about with flower petals and other finery. The dining room is alive with the excited buzz of happy eaters. This is not the place to go if you are revolted by the sight of people joyously flashing forks full of food at their fellow diners – everything tastes so explosive,

so different, so perfectly balanced, that the temptation to share it is near-irresistible.

Jaeger's wine list is another startling revelation: prestige labels are not what people look for here ("my guests often have these bottles at home, I like to offer them something they may not have tasted").

The emphasis is rather on interesting wines from all over the world, with offerings from Italy, France (especially Burgundy), Germany, Austria, California, Australia, New Zealand – and selected bottles from Switzerland. There is also a good selection of half bottles. Each is chosen with care to rise to the particular challenge of matching Jaeger's extraordinarily complex and sometimes highly spiced range of dishes.

The final surprise is that having eaten and supped so well, you feel wonderful and you sleep deeply and well – just another manifestation of the oriental influence in Jaeger's unique *cuisine du bonheur*, which leaves you satisfied but with no ill effects (nor regrets) at the end of the feast.

Why would anyone go to Schaffhausen, a small watch and textile town tucked away in a bucolic bulge of north-eastern Switzerland bordering with Germany? One good reason would be the Fischerzunft.

The place is a retreat, but it is close to Zurich and its airport. The Kloten is 40 minutes away. (The weekend we visited, Jaeger was expecting a Sunday lunch party from London, there to combine a visit to the town's new modern art museum with a Fischerzunft feast.)

The Black Forest is on the doorstep, Alsace is but a stone's throw away. The Fischerzunft is also well placed for those en route to Italy from northern parts. Stop there next time you are in the neighbourhood. You may be surprised.

Cookery

Give cheap chicken the bird

Be a discerning diner, says Philippa Davenport, and search for genuine, free-range organic poultry

Great barons of beef disappeared with the British Empire. Now, even modest cuts seem to be going the way of the dodo. Walk through the streets of an English market town at midday on Sunday and you may not catch so much as a whiff or sizzle of roast beef and puffed up Yorkshire pudding, that celebratory duo once as much part of the British Sunday ritual as radio's Two-Way Family Favourites.

The sales of chicken are booming instead. The bird is Britain's number one meat. Even some people who like to call themselves vegetarians occasionally allow themselves poultry. Quite why is questionable, although it is tempting to speculate that the reason lies in the fact that so much of what is sold in the name of chicken today is so pallid and so low on taste that it is not easily identifiable as meat. It falls more naturally into the anonymous category of protein food.

I long for those innocent days when it was safe to assume that chicken meant a contented bird slow-grown to maturity on wholesome grain and vegetation gleaned from the farmyard and surrounding fields, dispatched by hand, hung long-legged and sold with its giblets. All salmon then were wild, potatoes were grown without loads of chemicals, and apples were chosen for their eating quality not for uniform good looks.

Times have changed, so have the meanings of words. Chicken now means intensively reared, a modern breed of bird designed for fast growth and early death, giving the producer a quick return on his money and giving the shopper cheap food. Too cheap. The cost of flavour has been lost.

If you rejoice in the pleasures of the table (and your choice is not dictated by what is cheapest), playing word games has become a ludicrous but necessary part

of food shopping. Since chicken has come to mean non-chicken, if you want chicken with good chicken flavour, you need to ask for free-range or organic.

Even free-range seems to be a dangerously imprecise weasel word now, open to abuse and misinterpretation, no guarantee of fine flavour or caring farming. Just as virgin olive oil has been subjected to various sub-classifications – first class degrees in virginity being awarded only to oil so extra-virgin that it has never been kissed – so free-range chicken can mean one of three things.

On the lowest rung of the taste ladder are free-range chickens plain and simple. These strike me as little bet-

Organically raised birds offer extra guarantees concerning diet, flock sizes and medication

ter to eat than intensively reared chickens – and the birds are little better off from a welfare point of view. The same modern breeds are kept in similarly vast flocks, apparently reaching maturity and culled within 42 to 56 days of hatching – too little time to develop much flavour.

The only essential difference between intensively reared and basic free-range table chickens, as I understand it, is that free-range birds have to have access to outdoors for half their short lives. But being modern breeds, more adapted to cramped indoor couch-potato lifestyles than to running free, few make use of their licence to restricted roaming.

Traditional free-range chickens and total freedom free-range chickens are more

likely to please cook, diner and animal welfare alike. They are not so cheap and not so widely available – but you can taste the difference. These are genuinely free-range birds by breeding and circumstance, not modern agoraphobic weakling varieties of chicken. They are big boned, sturdy, with muscular legs, by nature slow-growers, taking an average 80 days to reach maturity, fond of fresh air and naturally well suited to scratching a living outdoors.

Best known in Britain, perhaps, are the Landis chickens of south-west France. *Poulet noir*, the black-legged French chicken, is also popular. Flocks were raised in Ireland for the British market a few years ago) and American Rock Cornish hens seem to be gaining fans. Bresse chickens are most famous of all, in a class of their own – with price tags to match.

Organically raised chickens are required to meet all the standards demanded of traditional or total freedom free-range birds, and offer extra guarantees concerning their diet, medication and flock sizes, which are kept down to a companionable maximum of 500 birds.

Any genuinely free-range table chicken (whether it falls into the traditional free-range, total freedom free-range or organic category) should make good eating. The white meat may be less than Persil white, the dark meat noticeably dark, the flesh tends to be juicy, maybe slightly chewy, taking fractionally longer to cook than a bland unexercised youngster that has been reared to intensive or basic free-range standards. But who wants tender and characterless meat if a wholesome, flavoursome, worthwhile, getting-your-teeth-into real chicken alternative is available? No competition.

LEMON AND ROSEMARY CHICKEN AND POTATOES (serves 6)

This is the sort of simple cooking I like best, a dish of



chicken and potatoes, baked rather than roast. Like all simple dishes, its success depends on ingredients of quality, preferably organically grown. I first tasted it in the Greek island of Rhodes more than 30 years ago. I had seen the chicken roasting around the garden during the earlier part of my stay. The potatoes were local, as was the olive oil. The lemons came from a tree in the courtyard, and the herbs used were wild thyme and oregano, the heady scent of which seemed to spring up from under our feet wherever we walked.

This week I used creamy-fleshed organic Santé potatoes from Waitrose, and gave the recipe an Italianate slant

with Sicilian lemons and rosemary. The amount of potatoes I suggest may sound excessive but good potatoes that have been cooked in and absorbed a combination of chicken drippings, lemon and herbs are exceptionally good, and any leftovers make favourite larder pickings.

A fine chicken weighing about 1.5kg when oven-ready, 1-1.5kg potatoes, ideally ovoid and weighing about 150g each; 2 lemons; 1 garlic clove; fresh rosemary; about 100ml olive oil.

Remove the fat from the tail end of the bird; cut and pull out the wishbone to facilitate carving. Season the chicken inside and out with sea salt and black pepper.

Stuff the cavity with long curls of thinly pared lemon peel, the halved garlic clove and a few sprigs of rosemary.

Sit the bird in a large roasting pan, baking pan, lasagne dish or similar, and rub a cut lemon half all over the bird, squeezing the juice from it as you rub. Leave in a cold larder for two to eight hours.

Peel and quarter the potatoes lengthways. Pile them around the chicken, preferably in a single layer. Squeeze the juice of the remaining 1½ lemons over the potatoes and season lightly. Scatter both bird and vegetables with rosemary needles stripped from the twig, 2 tablespoons of herbs at least,

and gently drizzle the olive oil over the whole lot. Turn the bird breast down, drizzle a supplementary tablespoon of oil over its back and lay a sprig of rosemary across it. Spoon 50ml water (or giblet stock) into a corner of the pan and tilt the pan to spread the liquid.

Slide the pan into an oven heated to 230°C (425°F) gas mark 7. Baste well after 20 minutes, reduce temperature to 190°C (375°F) gas mark 5 and cook for 20 minutes more. Then turn the bird breast up, turn the potatoes, and continue cooking for 40-60 minutes or until the chicken is lightly gilded and cooked through and the potatoes have absorbed most of the flavourings, are tender

and tinged with gold. Baste and lift both meat and vegetables every now and then to encourage even cooking and prevent sticking. If the pan begins to look dry, add a splash more boiling water or extra lemon juice or olive oil, according to taste.

When the chicken is ready, let it rest for 10 minutes or so before jointing or carving. I am inclined to leave the potatoes in the oven at this stage and to turn the heat right up again to give them a golden finish. Just before cutting the chicken, tilt the bird to let the juices run from the cavity into the pan. Place the pan over low heat and stir to loosen the sediment making a scant but best-ever gravy.

Wine / Edmund Penning-Rowse

The 1996 first-growths shine

In the history of Bordeaux vintages it is a very rare event but 1996 was the third vintage in a row to be a success. However, it was quite different in character from the overall roundness of the '94 vintage and the highly successful '95, produced after a torrid August.

The summer of 1996 was no more than moderate while August, said to be the month that makes the taste, was wet and cold until the last week. Three excellent hot dry weeks followed with some rain in the middle of September. However, in the Médoc most growers began picking on the 23rd and finished at latest 10 days into October. But this was a Cabernet Sauvignon one. There was much more rain on the right bank of the Gironde – basically on the Merlot appellations of Saint-Émilion and Pomerol – where the wines were less successful.

The good fortune of the Médoc was the result of an extraordinarily high sugar content which

many of the growers did not understand. Cool nights in September meant that this was, to some extent, balanced by high malic acidity. But that was substantially reduced in the subsequent malic fermentation, generally taking place in November.

The assemblage that was made early in the new year tended to include rather less Merlot in the *Grands Vins*. The 1996 Médoc is the upper Cru Bourgeois and Cru Classé appellations are fine fruity round wines with a certain amount of tannin, which implies that they will take some time to come round.

Comparisons are being made with the 1988 and 1989. However, they are certainly wines to be bought *en primeur*.

The problem which the wine

trade of Bordeaux faces is one of price. After the commercially successful 1995, widely bought at the upper levels in south-east Asia and the US, the first-growths began at FF230 a bottle but rapidly moved up.

At present, Latour '95 sells on the Bordeaux market at FF800 a bottle and the other first-growths cost not much less. Their '96s are mostly predicted to start at FF290 a bottle on a very small *tranche* and then move a good deal higher. This may also apply to the leading second-growths and popular Pomerols. A few fancy prices have already come out for fashionable *châteaux*.

Eglise-Clinet which came out at FF80 in 1994 and FF120 in 1995 has sold at FF225 this year, and the Bordeaux trade has

already resold it at between FF300 and FF350 a bottle, higher than the initial prices of the first-growths. Total production this year was only 1,500 cases. Such *châteaux* with small output were particularly favoured, but it is very difficult for the lower ranks where prices may be higher by as much as 25 per cent.

The price problem is complicated by the almost complete lack of stock, except for a certain amount of '94s. Very favourable prices for the '95s and '96s encouraged the *châteaux* proprietors to sell them, as well as the less promising '91s, '92s and '93s. A factor in delaying the opening prices is the fear of frost in what so far has been an early spring. Memories of the devastating frost of April 21 1991 have not dimmed.

The wines were tasted by appellation, starting with Médoc, continuing with the St-Émillons, Pomerols and Graves and finishing with the Sauternes.

Below is a list of wines that appealed to me, with a star against those that were particularly attractive: *Haut-Médoc*: "Beaumont, Cantemerle, Coufran, Malescasse, Moulis", "Chasse-Spielen, Mancelon, Poujean, Lissac", "Fourcas-Dupré, Fourcas-Hosten, Margaux, Brane-Cantenac, d'Angludet, Dauzac, Glacours, Kirwan, Malescot, Saint-Exupéry, Monbrion, Palmer, "Rausan-Ségla, Stran.

Saint-Julien: "Ducru, Beaucastel, Gruaud-Larose, Lagrange, Lagou-Barton, "Léoville-Barton,

Léoville-Poyferré, Talbot.

Pauillac: "Grand-Puy-Lacoste, "Haut-Bataille, "Les Forts de Latour, "Lynch-Bages, Paillet de Latour, "Pichon Longueville Comtesse, "Pichon Longueville, Pontet-Canet.

Saint-Estèphe: Cos d'Estournel, Lafon-Rochet, Les Ormes de Péz, Phélan Ségur.

As indicated, the Saint-Émilion and Pomerol were less successful, lighter and less round, but not to be dismissed. *Saint-Émilion*: "Angélus, Baleslard, La Tonnelle, Beau-séjour, Bécot, Cap de Moulin, "Figeac, "Grand-Mayne, "La-Dominique, La-Gastelle, Larzac, Ducasse, Laramande, "Pavie.

Pomerol: (The Pomerols were rounder than the Saint-Émillons.) Beaugard, "L'Evangile, La Con-

seillante, Petit-Village, "Vieux-Château-Certan. *Red Graves*: (The red Graves were on the right side.) "La Mission, Haut-Brion, "Carbonnieux, "De Fieuzal, "De France, "Haut-Bailly, La Louvière, "Pape Clément, "Smith Haut Lafitte, "Domaine de Chevalier.

White Graves: (Some of these were typical but not very interesting wines.) "Carbonnieux, "De France, "La Louvière, Olivier, "Pape Clément, "Smith Haut Lafitte, "Domaine de Chevalier. *Sauternes*: (This was a particularly good year for the Sauternes, probably the best since 1990.) Bastor-Lamontagne, "De Malle, "Nairac, Broustet, Filhot, D'Arche, Dossy-Vedès, De Myrat, Sigalas-Rabaud, "Rieussec, Guiraud, "Comet-Sodant, De Rayne-Vigneau, "Gib-Haut-Peyraguey, Lafaurie-Peyraguey, "La Tour Blanche.

Chimons was not available for tasting but has a very high reputation. The first-growths were all adjudged excellent although I was unable to taste Petrus. Pres-

FOOD AND DRINK

This month marks a significant change in the phrasing of the question I am most frequently asked. It is invariably, "Which is your favourite restaurant?" - but for the next few months it will be, "We have some friends from abroad coming to London next week. Where should we take them to eat?"

This is easier to answer these days because the capital's restaurants are so exciting. Anyone who has not visited London for some time will be surprised by the number of new premises. Even regular visitors have probably not had the chance to sample the latest openings: Nobu in the Metropolitan Hotel, Hyde Park (0171-447 4747), Gabriel in Mayfair (0171-439 2424), and Putney Bridge, in south-west London (0181-780 1811). Conran Restaurants will open The Bluebird next month and another three establishments before the year's end.

Eating out seems at last to have become a British national pastime. British chefs have come of age and are cooking with growing confidence. And a new chef seems to appear on UK television screens each week. In addition, last year, the weak pound brought in record overseas visitors, swelling the growing numbers of restaurant customers.

Nor is there a shortage of inexpensive capital or willing investors to back new ventures. The unsung hero of the London restaurant explosion has been the rising stock market. This has not only favoured the increasing number of quoted restaurant groups but also provided ample personal bonuses for City traders and dealers who have - perhaps for social more than financial returns - invested their spare cash in restaurants financed via various Enterprise Investment Schemes.

The Avenue in St James's (0171-321 2111) raised £750,000 in this fashion. It seems likely that a proportion of the City bonuses paid last month will underwrite restaurants now on architects' drawing boards.

This financial underpinning is reinforced by two other factors. The first is that British restaurants are acting as a magnet for young French staff who, facing high unemployment at home, are increasingly seeking work as chefs, waiters or waitresses in the UK.

The second is that the good times allow British restaurateurs to view a Labour victory at the general election with equanimity. As one restaurateur of 23 years standing explained: "In the past I have found that as a



The Oxo tower: a great place for a sunset cocktail

Trevor Humphries

Capital Dining

A visitor's guide to London

Nicholas Lander rejoices in the number of new restaurant openings and the rise of British chefs



For lovers of Indian food



For modern Italian food

Labour government squeezes corporate profits, a company's senior management decides to reward itself instead by eating out more frequently.

If there is an overriding caveat it is that in a period of rapid transformation there are disappointments. Invariably, I find a lack of professionalism in service.

So to some personal

favourites. I would take visitors to both Sally Clarke's in W8 (0171-221 9225) and, almost directly opposite, Kensington Place (0171-727 3184), for Rowley Leigh's food. In terms of cooking for numbers, Stephen Carter is performing with growing authority at The People's Palace (0171-928 9999) which, situated in the Royal Festival Hall, throws in culture

and a river view for nothing. Nearby, there is the Oxo Tower (0171-803 3888) which, if still trying to find its culinary feet, offers the best location for a sunset cocktail. Further along, about 10 to 15 minutes' walk from the newly opened Globe Theatre and with fine views of Tower Bridge, is Le Pont de la Tour (0171-403 8403) and the revamped Blue Print Café

(0171-378 7031). Good British professionalism is exemplified in a growing list: Bibendum, Fulham Road, SW3 (0171-581 5817); Le Caprice, Arlington St, SW1 (0171-629 2339); The Ivy, West Street, WC2 (0171-836 4751); and, recently relocated in Mayfair, The Square, W1 (0171-495 7100). There is also Charles Fontaine's Quality Chop House

in Farringdon Road, EC1 (0171-837 5093) and Pergus Henderson's cooking at St John, St John St, EC1 (0171-251 0848), or Martin Lam's Ransome's Dock, Battersea SW11 (0171-223 1611), with its exemplary wine offerings.

British dexterity with French cuisine is best represented by Gordon Ramsay at Aubergine, Park Walk, SW10 (0171-552 3449, but allow six weeks when booking for dinner); Marco Pierre White, who serves the best value lunch at The Restaurant, Knightsbridge, SW1 (0171-259 5380) and Quo Vadis, Dean Street, W1 (0171-437 9585); Marcus Wareing at L'Oranger, St James's St, SW1 (0171-839 3774); or Philip Britten at The Capital Hotel, Basil St, SW3 (0171-659 5171).

London's restaurants have, however, only blossomed by ignoring national

boundaries and the following have an eclectic allure: Livebait, SE1 (0171-928 7211) and Jason's, W9 (0171-286 6752) for fish lovers; the Mandarin Kitchen, W2 (0171-727 9012), Imperial City, EC3 (0171-626 3437), and Fung Shing, W1 (0171-437 1539) for the most intriguing Chinese; Café O, SW3 (0171-584 5850) for modern Greek and Zafferano, SW1 (0171-235 5800), the River Café, W6 (0171-381 8824) and Al San Vincenzo, W2 (0171-282 9623) for modern Italian cooking.

Lovers of Indian food should head for Café Spice Namaste, E1, (0171-498 9242) Café Lazeez, SW7 (0171-581 9993) or Tamarind, W1 (0171-629 3561). Any discussion as to what constitutes Pacific Rim cooking will be best undertaken in The Sugar Club, W11 (0171-221 3844) or Mezzonine, W1 (0171-314 4000). Good eating.

Appetisers
A cheap and decent red wine

The Co-op's wine of the month for April is a very respectable St Chinian, Syrah-based southern red Domaine de Burios 1995, reduced from £3.49 to £2.79. Any Co-op wine can be ordered from any branch of this co-operative rival to the supermarkets.

A red with more guts, and 13.5 per cent alcohol, is Victoria Wine's Miralmonde Toro at £3.75. The label belongs to a £2.99 wine but the plump flavours and deep colour suggest £3.99. The great grape of northern Spain, Tempranillo, has always ripened here, but now the winemaking has caught up to offer zest as well as soft.

Janis Robinson

■ Irritatingly, I have just missed the visit of two top chefs, Pierre Orsi and Paul Bocuse, to The Connaught, in Mayfair, London, where they were cooking as visiting guest chefs in partnership with the hotel's *maitre chef des cuisines*, Michel Bourdin.

Happily, however, the season of visiting chefs continues with the arrival of Emile Jung and his *cuisine Alsacienne*, from Le Crocodile in Strasbourg, next month (27-30) followed in June by Gerard Boyer and his *cuisine Champenoise* from Les Crayères in Reims (9-13).

In addition to the hotel's usual *carte* and *table d'hôte* menus, the restaurant and grill room will offer special menus at £85 a head (plus discretionary service but VAT included) created by each guest chef in partnership with Bourdin. Later in the year, Pierre and Michel Troisgros from Roanne, Larry Forgione from New York, Roger Vergé from Mougins and Joël Robuchon and Philip Braun from Paris will be cooking. Tel: 0171-499 7070 or fax 495 3262. Jill James

■ RD is Bollinger's vintage champagne kept on its lees and "recently disgorged", hence the name. As these old vintages are delicate, the company recommends that they be drunk soon after they are released. This was not always the case, and wine merchants often hung on to old stock long past its sell-by date.

Bollinger has now decided to release the wines on allocation twice a year, encouraging fans to place their orders in advance. They are offering the 1985 (£198.27 plus VAT for a case of six), 1983 (£250.03), 1979 (£317.32) and 1975 (£433.97) vintages: a wonderful opportunity to review some of the best champagne made in the past two decades - the 1975 is a particular treat. Inquiries to Mentendoff 0171-415 3300, fax 3232. Giles MacDonogh

■ Michael and Linda Fenuta, new owners of the £1.8m Hunsford House, Hotel in north Somerset, will be joined there by Michelin-starred chef Clive Dixon. The Fenutas are planning to restore the Georgian property - already an attractive mansion set in 80 acres - into an internationally renowned country house hotel. JJ

■ More hot news: at last a source of hot chilli sauces in the UK. Hot-Heads stocks more than 100 sauces and fiery foods and will send you its catalogue free. Contact Tecmaco International, Unit C5, Phoenix Trading Estate, London Road, Stroud, Glos GL5 2BX. Tel: 01453-731737 or fax 731747. JJ

The Lebanese and Syrians are renowned for their hospitality. They will always finish a conversation when they first meet you with the words "wad-din shaykha" (please honour us with your visit).

If you do visit they will not let you leave, however short your stay, without offering a cup of Turkish coffee or sweetened plain tea. Often they will also give you something to eat.

This marvellous hospitality is extended not only to friends and relatives but even to strangers, especially in the rural areas of Syria and Lebanon.

When I was in Syria recently, I frequently stopped at various villages, on my way to the wonderful historical sites, to watch the women bake bread or sort moulds of colourful vegetables for pickling or drying. Invariably I would be asked in for tea and, unless I was in a desperate hurry, I always accepted.

The women and children would take me into the nearest house. This usually consists of one large room where the family sits and eats during the day and sleeps at night.

The room is invariably sparsely furnished. The floors are covered with imitation Persian carpets and there are large cushions against the walls for everyone to sit on. The walls and doors are white-washed or painted in pretty pastel colours with brighter floral or geometric designs on the door frames.

Television takes pride of

place and they usually turn it on as soon as visitors enter. An older girl would be dispatched to make the tea while the others sat next to me asking questions. Where did I come from? What was I doing in their village? Was I married?

So the conversation went, with the girls giggling and the older women trying to be more serious. Every time my cup was empty they would refill it. I sat for half an hour or longer enjoying its strong sweet flavour and the charming company.

This hospitality is all the more welcome in remote areas where private homes offer the only opportunity to have any refreshment. Repeatedly I would be asked to stay for a meal and, if I refused, they would give me a few loaves of delicious, freshly baked bread to take away.

In one village my reception "committee" was more impressive. It was composed of the village elders. I was shown into a long dark room where they sat cross-legged in traditional robes. I was offered a choice of coffee, tea or tisana. The latter was made from their own local mixture of dried wild flowers. They had all three pots ready. Their coffee was the special Bedouin kind; thinner than Turkish coffee and



Taking some refreshment in Damascus

Robert Harding

bitter. It is served in tiny round cups and in minute quantities; hence its name, *shaffeh*, which means "one sip".

My visit there was made all the more exciting by the discovery of a Roman burial site in the village. They showed me several stunning objects, including two stone tomb doors. Perhaps they were hoping to sell me some of their antiquities but, however much I was tempted, I had no desire to find myself in a Syrian jail accused of smuggling.

Back in the cities, the only spontaneous welcome travellers can expect is from *sauk* merchants who will ply you

with tea or coffee in the hope of emptying your pockets. City dwellers, on the other hand, keep their hospitality for friends, neighbours and relatives and the common drink is Turkish coffee.

Both Lebanese and Syrians have a strong tradition of exchanging what they call "coffee visits". The guests will arrive bearing some food delicacy and the hosts will reciprocate by offering some special treat which she has prepared or bought specially for them.

But first the coffee has to be made. Until not so long ago most people roasted and ground their coffee immediately before making it. When

I was a child I remember my mother always passing me the tall, cylindrical, brass coffee grinder decorated with intricate geometric designs. As I ground the newly roasted coffee she put the water to boil in a long-handled brass or enamel conical pot called a *rahbeh*.

Not much has changed, except that most people now buy their coffee ready-roasted and ground from the corner shop and brass and enamel have mostly been replaced by stainless steel.

The guests are asked how they like their coffee: medium-sweet (*nuassat*), bitter (*murr*) or sweet (*helo*). If they want different degrees

of sweetness the coffee is made in three separate stages. First it is cooked without sugar. When it is ready the required number of bitter cups are poured out before some sugar is added to make it medium-sweet; then more cups are poured out before the final amount of sugar is added to make the sweet coffee.

Those who do not drink coffee are not left out. They will be offered white coffee, which is something of a misnomer as it is made with orange blossom water (see the accompanying recipe).

White coffee is a delicate, fragrant drink which is very soothing and normally served after dinner.

One of the best parts of a coffee visit is the fortune-telling session at the end. After everyone has finished drinking their coffee somebody will ask if anyone knows how to read the cup.

If so, the empty cups are turned over the saucers for the coffee drops to trickle down the sides and the resulting patterns are interpreted according to the images made by the black liquid against the white porcelain.

A dark cup means that your heart is sad, a light one that your future is full of joy. Two thin trickles of coffee with no drops in between means that you have a trouble-free time ahead, and so on.

While the cups are read food is passed around. If it is a morning visit there will be freshly baked *managesh*, (thyme bread) or *k'hafeh* (a kind of cheese or clotted cream pie with sugar syrup) which is served hot with a sesame gazette. Both are typical Lebanese breakfasts. If the visit is in the afternoon, a selection of *baklava* will be offered. In the evening fresh fruit is usual. The delicacies

that the guests have brought will also be offered as it is considered ill-mannered not to share a gift of food.

TURKISH COFFEE

(Serves four)

This recipe is for medium-sweet coffee. If you want it bitter, discard the sugar or double the quantities to make it sweet. You can also add one or two cardamom pods for a more Arab flavour. The cups used for Turkish coffee are demitasse.

4 coffee cups of water, 2 tps golden caster sugar, 4 tps of finely ground coffee, 1 or 2 cardamom pods (optional)

Put the water in the *rahbeh* (or use a small pan with a spout) and bring to the boil. Add the coffee, sugar and cardamom pods if you are using them and bring back to the boil. Take off the fire as soon as the froth starts to rise. Wait until the froth settles then return to the fire. Repeat twice if you want the froth, or a few more times if you do not want it.

Pour into the coffee cups making sure you divide the froth, if there is any, equally between them. Serve immediately.

White Coffee: Pour boiling water into a coffee cup, add ¼ teaspoon of orange blossom water or more to taste. Serve immediately with sugar on the side.

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PROPERTY

A window on the countryside is opened

Anne Spackman says rising values make this the ideal time for those planning a move out of town

This spring there is more than just unseasonably good weather to make house buyers think of leaving London for the country. The past three months have seen a large gap opening between house prices in London and those in all but the top commuter locations of the south of England. For families who plan to move out, this is an excellent opportunity.

The London areas which have seen the largest price rises this year happen to be those that attract people with country leanings. The families who dream of Hampshire, Wiltshire and Sussex tend to start their property lives in the stretch from Fulham to Battersea, Clapham and Wandsworth, where an excess of buyers has pushed prices up by at least 10 per cent and sometimes 30 per cent in the past 12 months.

Savills in Wandsworth – the former George Stead business – has seen the value of four-bedroom terraces in roads such as Cicada Road rise from £160,000 in 1994, to £215,000 last year, to around £280,000 now. Few believe prices will continue to rise like this. Heather Pontefex of Savills is one of many agents who says a little of the heat is coming out of the market as more properties come on to their lists and the general election approaches.

Guy Foster of Friend & Falcke in Clapham says 50 per cent of his clients are selling up to move to the country: "People want to cash in their two or three-bedroom house or flat and get out of London while the going is good."

One man who has done just that is Brian Bishop. A year ago his terraced house near Clapham Common was worth about £235,000. Last month he sold it in days for nearly £280,000 through John D. Wood, with two back-up buyers.

He has moved to a six-bedroom, four reception room Georgian house in two acres in Taunton in Somerset, which cost him a little more than £200,000. The extra equity has gone into setting up his new business, an office for Jackson-Stops and Staff in Taunton.

As a buyer in Somerset, he

Values in some areas have risen from £160,000 in 1994, to around £280,000 now

felt some of the same pressures as his own buyers in London. "In the country, prices have not risen so much, but anything good goes very fast," he says. "We were almost gawped at the last minute."

The same story is told elsewhere. There are many counties where homes look good value for money but Londoners will often find they are competing with others in a similar position for good family houses.

East Anglia is a good example. Norfolk only began to see an improvement in its market this year. But the

properties that had been lingering on agents' books have already been sold and there are queues for any new ones.

Mark Stewart of Bidwells said the Norfolk market completely changed in February, as local buyers started trading up. London buyers returned to the market and wealthy second-home hunters reappeared after an absence of seven years.

"I had 40 people look round an old rectory in the village of Brandon Parva last year," he recalls. "They all said it was too secluded or too near pylons. This year it sold for above its guide price of £350,000."

Prices for Norfolk country houses are up 10 per cent from a year ago, but they still look good value. Good family houses can still be found for between £200,000 and £300,000 – the price of a terraced house in many London suburbs. Other counties which offer similar value include Kent and East Sussex, with the lowest prices being found in the least commuter-friendly areas.

Simon and Oonagh Keith are looking for a four-bedroom house in a rural location in that area. They are selling a "3½-bedroom" Victorian terraced cottage in Battersea.

"We had the house valued last autumn and it was worth around £165,000," says Oonagh Keith. "The houses we could afford in the country were very disappointing. Then a friend in a road close to us made a phenomenal amount on his house this year. We had ours revalued and the average figure was just over £200,000. It meant we could look at houses which were beyond our



Simon and Oonagh Keith: house revalued at £200,000 meant they could look at properties previously beyond their reach

reach before."

The Keiths originally put their house on at the highest valuation of £215,000, through Winkworth. They are now reducing their price, having had no offers despite dozens of viewings.

With their own house not sold, they realise they may have to take out a bridging loan to secure the kind of house they want. "It's very difficult," said Keith Simon. "You feel you should be taking days off work. If a set of details arrives on a Monday, by the weekend it's often gone."

Conrad Payne of Cluttons in Canterbury says the impact of London price rises has been mirrored in top

commuter areas such as Sevenoaks in Kent. As a result, buyers have started hunting further east for better value. Since November, prices for good houses have risen by between 5 and 10 per cent, but you can still get a farm-house in five acres near Canterbury for about £250,000.

Another couple who had always planned to leave London, but were spurred on by price rises this year are Sebastian and Emma Hobbs. The value of their one-bedroom flat in Fulham had gone up by 15 per cent. They sold it last week, having turned down gazumpers offering £4,000 more, to buy a Victorian cottage in the Hertfordshire village of Sar-

ratt.

"Some friends of ours in a similar position have decided to wait until the summer to move," says Sebastian. "In my view, the market is at its peak at the moment. We think this is the time to go."

■ Here are some of the houses available to buyers with £170,000 to £370,000 to spend in the country:

□ Coomb Farm, East Braintree, near Ashford, Kent. Traditional Kentish house with four bedrooms in five acres; £250,000 from Cluttons (01822-756000).
□ Cornhill Farm, near Charing, Kent. Four-bedroom period house with studio,

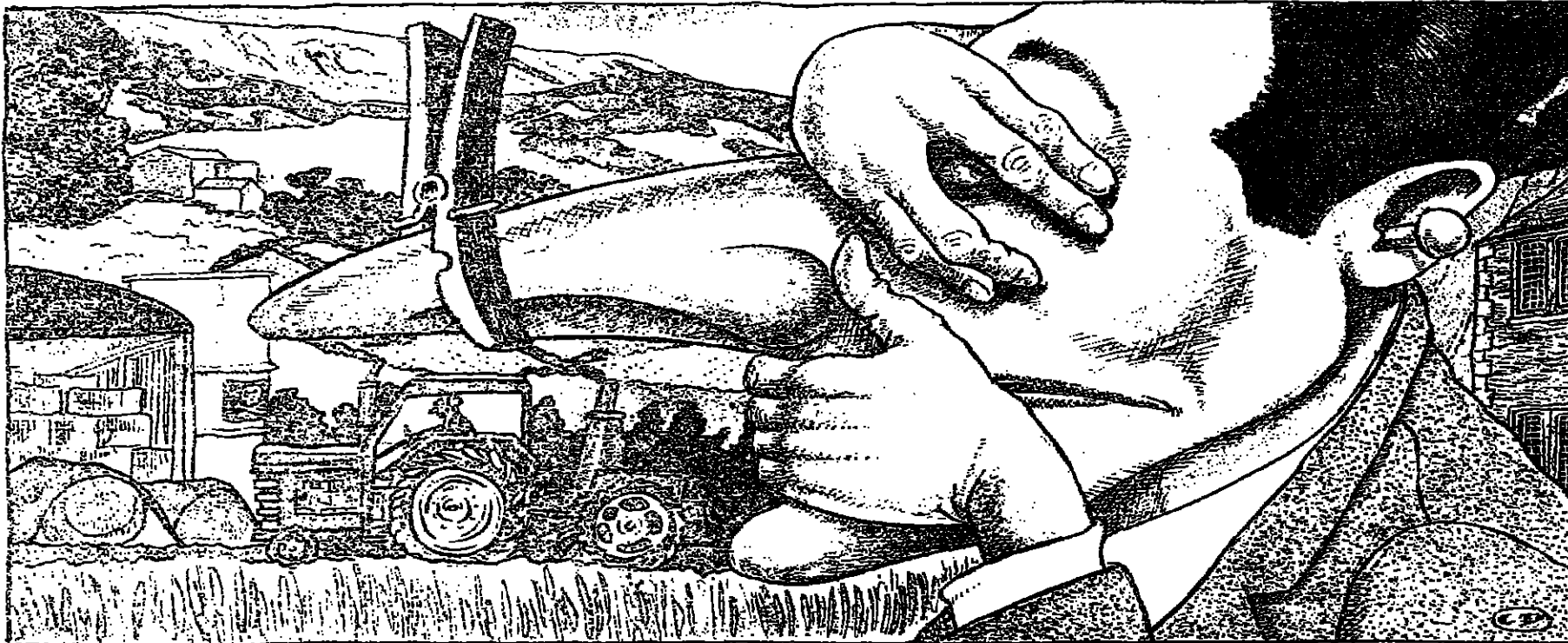
gardens, barn and paddocks; £255,000 from Cluttons.

□ Tongs House, Pett Level, East Sussex. A part weather-boarded, thatched, cliff-top house with four bedrooms, four bathrooms and three reception rooms; £265,000 from Knight Frank in Tunbridge Wells (01892-515035).

□ Homestead East, Sedlescombe, East Sussex. Three reception rooms, four bedrooms, two bathrooms, excellent gardens and field; £285,000 from Knight Frank. □ Church Farm, Shropham, Norfolk. Grade II listed farmhouse with four receptions and five bedrooms in five acres; £245,000 from Savills in Norwich (01603-612211).
□ Church Farmhouse, Ridling-

ton, three miles from Norfolk coast. Six bedrooms, three receptions in hall-annex; £185,000 from Savills. □ The Limes, Tinwell, Rutland. Grade II listed Georgian village house with five bedrooms, detached cottage and walled gardens; £285,000 from Savills in Stamford (01780-663222).

□ Clynst Hydon, Devon. Grade II listed period farmhouse with four bedrooms, Aga kitchen and four reception rooms in four acres on the edge of a village 11 miles from Exeter; £330,000 from Knight Frank (01392-431111).
□ Step Aside, a five-bedroom house overlooking the sea at Budleigh Salterton, £325,000 from Knight Frank.



So much can spoil that rural idyll

Seasonal changes in the country can turn a dream home into a nightmare, warns Sally Smith

The warm, pink Suffolk farmhouse drowns in its sunlit garden. Just outside the gate is a plain slab of concrete, not particularly attractive but innocuous enough, eager to view the house you probably never even registered it as you turned in from the road.

The slab is in fact a beet pad – a hard standing upon which sugar beet is stored. Early – very early – each day throughout the autumn and winter months, huge loads of muddy beet will be riddled over a mechanical grid and tipped into the back of a truck to be transported to the factory.

This will happen at least once a day from October to January, six days a week. Should you go ahead and buy that charming house, your mornings will echo to the sound of the riddle, the forklift, grumbling diesel engines – farmers or farm-workers rarely switch off an engine once it has started – and above them all, the bawl of merry rustic discourse.

Fecund cockerels do not have the monopoly on morning disturbance in the countryside.

If you too are an early riser, and in any case like to

feel truly a part of the real agricultural scene then this is the house for you.

But if you require a more tranquil approach to country life quiz the seller closely on that sugar beet pad. It could be redundant and unlikely ever to be used again. On the other hand...

All over Britain farmers are keen to acquire more land. There is nothing new in this, but in the past few years, as agricultural incomes have risen and farmers have come to appreciate the benefits of economy of scale, they have been even keener on acquisitions.

They only really want land, but frequently, in order to get it, they have to buy an entire farm with a house for which they have no use. In other instances farmers have sold land to their neighbours and are now looking for a buyer for the rest of their property. Each case results in charming period houses and cottages becoming available to non-farming occupants.

And this is where the innocent purchaser, delighted at finding a pastoral home, needs to be particularly careful. For these dwellings are very much closer to farming activities

than most country homes are, and the countryside around them can be one enormous open air factory.

House-buyers in towns are advised to visit the prospective purchase on several occasions at different times of the day and week to ensure that the location has no drawbacks such as a

You buy. Then one morning a tractor appears in the field outside your window

rush-hour rat-run.

The same advice goes for those planning to buy in the country. The difficulty is greater, however, as agriculture is seasonal and viewing at one time of the year does not always prepare the buyer for what might happen a few months on.

In early June, for instance, you may see wagons of sweet grass being brought

into the adjacent farmyard and deposited into a large, three-sided structure. A little later this grass will have been covered with black plastic and perhaps ranks of tyres. This is a silage clamp.

Come October the tyres will be moved, the plastic sheet pulled back and a dense, acid aroma will sweep across the entire district. Most silage is exceedingly well made, its makers will tell you it is very sweet and cattle will rush to chomp it down with enthusiasm. But it will smell abominable.

Then there is that vast set of buildings in the yard beyond the garden wall. Screened to some extent by a thick hedge, in March when you tour the property, they are a blot on the landscape, but the principal rooms face the other way, and, locked and secure, the buildings seem to be pretty much unused. This is a grain store.

In July the wagons will begin to roll; large wagons bearing grain that has to be unloaded, elevated into the store and then dried. In a wet season the grain dryer will be operating 24 hours a day. The yard and your garden, your house and your washing will be covered with dust and chaff.

Through the subsequent months, lorries will appear at regular intervals to load and take the grain away. And when it rains, the dust on the terrace, if you have not meticulously swept it away, will turn to a sour slurry.

Ah slurry... You view a property and there is no beet pad, no large buildings, no silage clamp – you have checked. Indeed you have been assured that all the livestock is housed at the home farmstead far across the fields where grain drying and all such operations are performed.

You purchase. One morning a tractor appears in the field outside your window. It is pulling a large tanker. You watch with interest as the driver lines the vehicles up. From the back of a tanker a dark curtain of something brown and viscous descends.

This will smell awful. It comes from cows, pigs, and sometimes from the sewage farm. Then it is called biosolid. New restrictions prevent it being dumped at sea any more but it can be spread on cropland.

It is wonderful stuff for the soil, especially for light, insubstantial soil – it pro-

vides body and nutrients. Its aroma is distinctive.

And there are yet more hazards to consider – the gas-gun designed to deter pigeons from peas and beans with a hefty blast at regular intervals; the outdoor pigs whose new site is your side of the hill, or the milking herd which twice daily winds its way past your door and back, donating fresh manure with each passing.

Farming does not end with production, either. Leisure diversification earns an extra crust. If in that pretty little wood where you plan to picnic, you see the top of a wooden tower above the tree-tops, you might inquire as to its purpose. Its likely use is the release of clay pigeons for shooting – usually on Sunday mornings.

Those odd looking wide tracks nearby will be for the art of motor-cross – and it is well worth checking in which fields the district's car boot sales and caravan club rallies take place.

And a final warning: should you see sea-gulls circling, do not assume that they are following the plough as it turns the glossy brown earth. Seagulls are very partial to landfill rubbish sites.

Mansions only, please

Gerald Cadogan on a change in country planning policy

If you cannot find a country house to buy, do not despair. You could build one instead. Provided "it is truly outstanding in terms of its architecture and landscape design", an "isolated new house in the countryside" may now qualify for planning permission.

"This means that each generation would have the opportunity to add to the tradition of the Country House which has done so much to enhance the English countryside."

This intriguing change of government policy occurs in the DoE's new Planning Policy Guidance note on *The Countryside – Environmental Quality and Economic and Social Development*. PPG7 (as it will be known) lays out the guidelines on rural planning for the coming years, replacing a similar PPG of 1992.

Only a few weeks old, it is essential reading for local councillors and anybody with business in the country, to understand how planning officers will now approach cases and the issues behind them.

The tough guidelines encourage planners to test whether farm-related development proposals are truly agricultural, in which case they can qualify for planning concessions as "permitted development".

The focus in PPG7 is no longer simply saving the countryside and its life and practices, but is now to ensure that they can keep going through sustainable development. This includes cutting the dependency on cars by encouraging local shops and businesses, doubling the amount of woodland, and building new homes on re-used sites rather than gobbling up virgin green fields.

It will be hard for developers to obtain consent for building in open country – except for that top-quality mansion – and planners will steer development away from the best farm-

land. Once good land is developed, "even for 'soft' uses as golf courses", says PPG7, it is hard to return it to best agricultural use. It is also chary of turf stripping with its long-term threat to the topsoil and farming potential.

Good design is vital, says PPG7. New buildings must reflect both "local identity and regional diversity" and there is a sharp tilt against converting barns for housing, especially when they are away from the village. A call for "traditional street patterns" is welcome if it means the end of curved "hammer-head" schemes (that let developers slot in more new homes with street-frontage than the space can manage) and a return to the uncompromising linear system of village streets.

Farm shops can be set up

Farm shops can be set up and farmyard smells are banished

under the permitted development procedure if they sell mostly unprocessed goods produced on the farm. When coming to a decision the planners must consider the usefulness of the service and employment, and set against that the potential impact on nearby village shops and traffic.

And farmyard smells are banished. To qualify for the permitted development concession, accommodation for livestock and associated buildings, such as slurry tanks and lagoons, must be at least 400 metres from the end of the garden of any neighbouring house, school, hospital or office. Any closer and they need planning permission.

PROPERTY

It has been almost impossible in recent months to buy a large country house on the public market, however much money is sitting in the bank. Buyers snap up the few fine properties for sale even before the advertisements appear, while a hidden market prospers in properties that never reach public sale at all.

The greater south-east of England, including the M4 and M40 corridors, is the most difficult area to buy in as people vie for places within 90 minutes' drive from London. It took four months last month to sell two houses at between £750,000 and £1m, before the particulars had been prepared, and late last year West Ashling House near Chichester went for £1.2m before the advertisement appeared.

Buyers and sellers like the confidentiality that comes with the hidden market. The seller also saves on the brochure and marketing costs, but should not expect to pay a smaller commission, warns Ian McConnell of Savills.

Buyers should make clear when registering with agents that they are ready and financially able to move fast. An alternative is to use a buying agent who often hears about properties long before they are due to go public. Whether the purchase is public or private, keep in mind that any competition can push the sale price 20 per cent to 25 per cent above the selling agent's guide.

On the public market, the Pussey estate in south-west Oxfordshire has been on offer since January from Knight Frank or Strutt & Parker at more than £8.6m. A prime estate in M4 country, Pussey has a handsome Georgian 12-bedroom house, superb gardens, lake and swimming pools, 1.58 acres, a farmhouse and 14 cottages.

Also still available, from Brown or Savills, is Great Hundridge Manor, a smart 17th century grade II* brick house, stabling and cottages, and 635 acres, in the Chilterns in Buckinghamshire. Being so easy to reach London (30 miles) by train or the M40, or Heathrow, must have some influence on the guide price of £3.25m.

New on the market is the 1,100-acre Baydon House



Glan Mawddach near Barmouth is available for £410,000 plus



Zeals House at Mere, Wiltshire, is offered at £1.05m



Chandos Lodge is a Georgian Gothic house with 4 acres



Great Hundridge Manor is a 17th century grade II* brick house

Hunting in the hidden market

Properties are selling before being advertised, says Gerald Cadogan

estate on the edge of the Marlborough Downs, and the borders of Berkshire and Wiltshire. The land is mostly arable, with a pheasant and partridge shoot, and two farmhouses and five cottages. The house is Georgian and has six bedrooms. The price from Savills for the property, less than an hour from London by the M4, is £5m.

Knight Frank is looking for offers over £1m for Eberly House, 30 miles from Exeter, designed in 1816 by Thomas Lee, a pupil of Sir John Soane. The house has 250 acres and seven cottages.

At £1.05m from Knight Frank and Michael de Pelet, Zeals at Mere, Wiltshire, has less land (58 acres) than

Eberly and just two cottages, but is much nearer London by the fast A303. This grade I stone house dates back to late medieval times. And at £1m, Humberts offers the 1800 brick Bloxworth House near Blandford in Dorset, built on an E-shaped plan, and also grade I, with 7.5 acres of park and gardens.

A step down on the price ladder at £725,000 (through Bidwells) is Floriston Hall at Wixoe in Suffolk, an attractive house, mostly of around 1800, with 20 acres, a cottage and a walled herb garden. It is ideal for Stansted, Cambridge and Newmarket. And in deepest East Anglia at Eye (about halfway between Ipswich and Norwich), Chandos Lodge is a Georgian

Gothic house with 4 acres, indoor pool and conservatory with a vine - offers over £475,000. The agents are Bidwells and Hamptons. For the best value go to the coast of mid-Wales. Glan Mawddach near Barmouth is a Regency house in a spectacular setting on the Mawddach estuary with views to Snowdonia, and masses of rooms and outbuildings. Its glory is a superb garden of 15 acres with topiary, an Italian terrace, water garden, woodland walks and walled garden. Offers are over £410,000 to Jackson-Stops.

An alternative is to rent a country house. It saves capital and gives the tenants time to see if they like the area and find the house they really want. Timewell House

at Morebath in Devon, a classic Georgian house with 11 acres, stabling, heated pool and tennis court, on the edge of the Exmoor National Park and near the M5, is available from September for three years for £1,500 a month (through KP in Exeter).

Bidwells, Bury St Edmunds (01284-767338); **Brown & Co, Bury St Edmunds** (01284-725715); **Hamptons, London** (0171-493 8222); **Humberts, Blandford** (01259-452343); **Jackson-Stops, Chester** (01244-326361); **Knight Frank, Exeter** (01392-223111) and **London** (0171-629 8171); **Michael de Pelet, Sherborne** (01935-512296); **Savills, London** (0171-499 8644); **Strutt & Parker, London** (0171-629 7282).

The A, B, C of buying

Anne Spackman reveals how you get on to an estate agent's preferred client list

Every estate agent has an A-list of buyers. These are the people they ring the moment they hear of a suitable property for sale, often before details have been printed, sometimes before they have even got the instruction to sell.

In the present market, particularly in London, where far too many buyers are chasing far too few properties, how do you get on to that list?

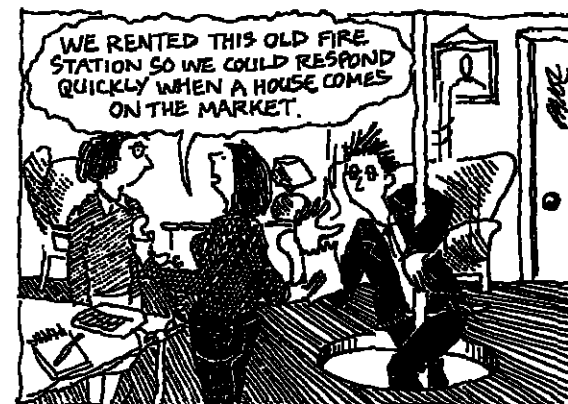
There are two very different routes, depending on the sector of the market you are in. The higher up the price range, the more important it is to be a cash buyer, have a mortgage approved, good solicitors in place and a readiness to move fast.

David Forbes of central London agents, Chesterfield, has six red-hot buyers on his A-list, 12 on his B and 20 registered as C - and that is at the £3m mark. He says: "My good buyers are those who trust me, are focused on what they are looking for, are cash buyers, are prepared to retain me - in other words, pay me a fee for finding them the right thing - have a very good solicitor and can act immediately within 24 hours if necessary. They return my calls quickly and will come and see something as soon as they possibly can."

Further down the market, some agents are openly saying they will give preferential treatment to people who have a property to sell and are willing to sell through them.

The Woolwich Building Society has created a Homefinders Service in south London, whereby buyers who sell through them will get first crack at the properties for sale.

Philip Agius, who runs Woolwich offices in Batter-



sea and Clapham, says: "It's not just that we will ring them first with any new instructions. If they give us a profile of what they want, we will actively look on their behalf."

A more philanthropic method of attracting sellers is being used by an agent in north Oxford. Buckell & Ballard, part of the Black Horse chain, are offering to donate 5 per cent of their selling fee to a local school of the vendor's choice. On a £250,000 house, that would amount to £250.

Francis Winstone-Partridge, who introduced the scheme, said: "The market in this area is driven predominantly by education. I have five children myself and I'm a great believer in local schools. This idea appeals for personal as well as professional reasons."

The key points for all buyers to remember are:

□ In London and popular parts of the country this is a sellers' market. Prices have risen by as much as 40 per cent in the past 12 months in some parts of London. If you have offered and lost on a few houses it is because you are offering too low. Lindsey Cuthill of Savills in Fulham says: "A hot applicant will have an indication of prices in certain roads, know what they

are looking for, but still be flexible enough to consider a property other than their 'dream home'."

□ You must be able to act quickly. This means having the money or the mortgage to do a deal, regardless of whether or not you have sold your own house. David Forbes of the central London agents, Chesterfield, says: "In this market, he who performs fastest wins."

□ Be available to view fast and often. People who can only make awkward times make themselves unpopular with agents and vendors. One Saturday in three spent viewing keeps you on the B list.

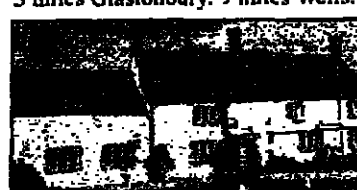
□ Call or call in to the estate agents very regularly. Establish a rapport with those who are strongest in your market. Howard Elston of Strutt and Parker in Sloane Street says: "Find an agent with their finger on the pulse and keep in touch with them. Someone who rings up or comes in regularly will get the best service."

□ Be gazzumped. James Bailey of Douglas & Gordon in Fulham says: "People who have been gazzumped recently are usually on the A list. They're hungry to buy and everything is sorted. All they need is the property."

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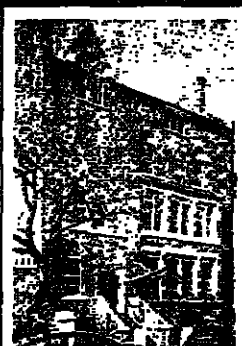
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PROPERTY

On the Move Developer turns landlord

Anne Spackman on a pioneer move in the rentals sector

Regalian has taken the pioneering step of becoming a developer landlord. The company plans to keep 10 per cent of the new properties it builds in central London as rental investments.

Is this a good move at a time when the rental market appears to be shrinking?

David Goldstone, Regalian's chairman, says he believes there will always be a strong demand for good rental homes in the centre of London, regardless of what is happening in the sales market.

"I'm sure domestic buyers are every bit as likely to purchase their own home as they have been in the past," he says. "It is part of our culture."

"But foreign executives have previously been obliged to buy because it was so difficult to find somewhere suitable to rent."

"In an international city such as London there is room for both."

In Germany, where around 40 per cent of the population rent their homes, developers are normally landlords as well as builders.

The latest move by Regalian is likely to be another step towards the increasing professionalism of what was traditionally a Cinderella business in the UK.

Goldstone hopes his move, just before the general election, will be seen as a gesture of long-term confidence

in the private rented sector.

Top of the market goes quiet

The election is starting to have an impact on the property market, with some sellers saying they want to wait until after May 1 before putting their house up for sale.

The very top of the market, over £2m, is reported to be quieter this year than last. Willie Gething of the buying agency, Property Vision, says this is partly caused by nervousness about Labour's tax plans, but equally by serious over-pricing by a number of sellers.

A Georgian rental alternative

For those who would rather not commit themselves to an expensive house, Knight Frank has an excellent rental alternative. It is offering Timewell House, a fine Grade II listed Georgian property on the edge of Exmoor, on a three-year tenancy at £1,500 a month.

It has a classic Georgian facade and extensive accommodation, including four reception rooms, seven bedrooms, a guest wing and staff flat. Outside it has a stable yard, swimming pool and tennis court. It is available through Knight Frank in Exeter (01392-423111).

Whenever I go off to look for wild flowers, it seems the little wretches go into hiding. All month, it has been an idyllic season in England, unless you happen to be in charge of a reservoir. The narcissi have opened their early and late varieties together and the hedgerows are alive with celandines and anemones. Fleeing paradise, I have been in western Cyprus, hoping to see such a carpet of flowers as my garden never reveals for a normal Easter.

Cyprus is riddled with ancient myths about its flora and on the latest modern count, has 128 types of plant which are known nowhere else. Perhaps it does, but they were not waiting with open petals for me.

Out-of-the-way hunting uncovered three types of orchid in occasional groups, growing on the hard limestone hills of the wild Akamas mountains in the western area of the island. The giant, frost-tender Fennel was spectacular along the roadside; the almonds were almost over and there was not a hint of the anemones into which Aphrodite, queen of the island, is said to have seen her mortal lover, Adonis, transformed.

The nights were freezing and the days were cold and wet. Two years ago, a huge forest fire devastated the northern slopes of the Kyrenia mountains in the Turkish-occupied zone and scorched large swathes of the flora and several of the endemic varieties. But my modest harvest owes more to an uncertain season than a fire.

I have never been greatly blessed abroad at ground level, except on the Greek island of Chios where even the partially sighted cannot fail to be overwhelmed in early April. At the other levels, I still fancy my chances. The Cypriot flora has been in hiding, but I had a second objective, a meeting with a most remarkable tree.

In the 1890s, the German archaeologist Max Ohnefalsch Richter published *Cyprus, The Bible and Homer*, his account of Cyprus's local religions.

The great Ohnefalsch Richter's programme was evolutionary. He believed



Wild flower spectacle: Fennel was to be found by the road on Cyprus

Garden Picture Library

Gardening

Modern worship ends a tree cult

The flora are hiding in Cyprus, but Robin Lane Fox is not deterred

that the religions of human history had progressed in stages, from the worship of trees to objects, icons and so to Christianity. On Cyprus, he believed, his travels had shown him that several of man's earlier stages were still visible in ancient survivals. They revealed how we had progressed and on the way they connected with the religion of the Old Testament.

Few visitors have been bothered recently, but in his chapter on the worship of trees, Ohnefalsch Richter

becomes lyrical about a particular oak. He had seen it in its majesty, 118ft wide at a height of only 5ft, the monarch of all trees in Cyprus and living proof of man's progress towards a higher religion. In 1890, he saw it alive and well, surrounded by a base of cut stones at which Christians on Cyprus now bestowed devotion.

The details were precise and as Thomas Pakenham has taught us all recently in his book of the same title, it is still possible for you and me to enjoy "meetings with

remarkable trees".

In the villages of the Akamas mountains, the place to locate them is in the local café. The village of Polemi is not short of cafés and the pace of male life resembles that enjoyed by the kindly gentleman who offered me a job in London in 1968. The village nearest to the great oak tree had countless cafés and no end of informants willing to deny that the tree ever existed.

My Greek-speaking companion was more than a match for the challenge and

with considerable skill uncovered among the cacophony the one man who knew, a mature gentleman who suddenly remarked that the oak tree had stood on his nearby plot of ground. His great grandfather knew it and it was carefully recorded on his title deeds.

In London, visitors give you boxes of chocolates; in Cyprus, the visited give you bunches of bananas; the promise of a ride in a Land Rover was a three-banana event and if the trip in a 1962 model was worth

every mile for our informant, it was also worth it for historians of remarkable trees.

The landscape flattened out into farmland with occasional almonds, but at a bend in the road there was a platform built from newly laid concrete blocks. We stopped the car and were given the life-death and history of the site, formerly the home of a stupendous oak. Fifty years ago it was alive, but its stump had recently received the last rites. A young man had come round the corner in his car too fast and had crashed to his death by the oak's platform. His family were paying for a memorial and the remains of the trunk had recently been covered in concrete.

Ohnefalsch Richter had omitted this further stage of man's spiritual progress: from tree worship to icon, from icon to fast car. However, the Christian stones were still visible and we had the satisfaction of standing on the site of the oldest tree cult in the East Aegean.

The wild flowers may have been in hiding, but such events require a return journey to the café. There the power-house of Cypriot agriculture was sitting, 20 males in a semi-circle round their old coke boiler, consuming coffee and brandy, far into the afternoon.

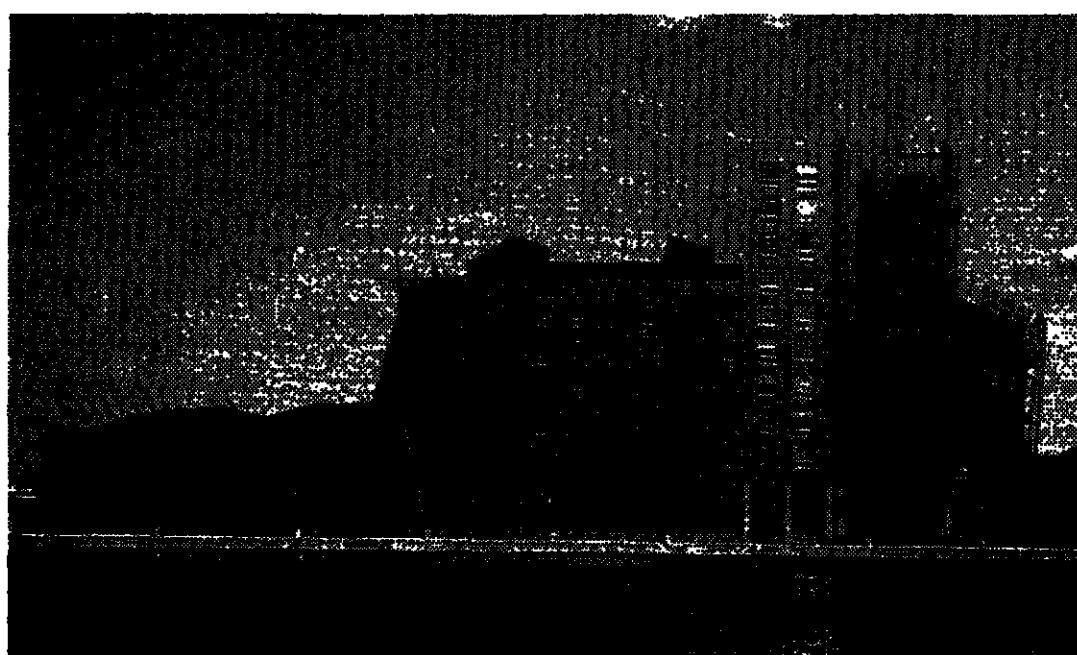
The pre-history of the oak tree became the topic of argument. Had it died before the speaker's great grandfather or not? It all seemed remarkably familiar. In the male Common Rooms of Oxford colleges, the old fellows used to sit, on either side of their fireplace, discussing whether Tony Blair scored marks of an average beta or beta double minus. Here, in the All Souls of western Cyprus, the fireplace was centre but past chronology was just as passionately argued.

The tree, we agreed, had been the old "Oak of the Cross". Then, they drank to the best of villages and started exclaiming "Switzerland" in Greek. Like Switzerland, Cyprus is something of a tax-haven, but I prefer to think that they were assuring me that underneath the other oak trees, the wild flowers are as abundant as they are in Switzerland in years when the weather is not unkind.

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MOTORING

Sit back and let Kate do all the talking

John Griffiths falls for a lady who lives on the dashboard

Kate and I have been having an affair and my wife approves thoroughly. In fact, if we could afford her, we would both give Kate a permanent home, secure in the knowledge that neither of us would ever try to tell her to get lost.

There would be no point. Kate does not get lost. Nor does she get flustered, angry or resentful. She is calm, guide and shepherdess, and all who make her acquaintance are destined to be smitten.

Kate is ETAK, spelled backwards, and she is the voice of Bosch's satellite-based car route guidance system. Travelplot. ETAK is a company which, painstakingly and over many months, has been creating digital maps in the form of CD-Roms charting the streets, nooks and crannies of Europe. It is from these that Kate takes her bearings.

Kate, I predict confidently, will be the saviour of marriages, not their destroyer. For it is only now, as satellite-based navigation systems have started to become practical, that their significance for motoring and mobility in general, and the economics of transport in particular, is coming to be realised.

With the UK now mapped almost fully, and CD-Roms available to cover nearly all of Europe, we can look forward to huge reductions in stress, journey times, wasted fuel and business man-hours - not to mention an end to marital spats over rustling maps in lay-bys.

Kate is not quite perfect; nor are her counterparts at Travelplot's two main European rivals: Carin from Philips and Alpine's Route Guidance Navigation. It is less a matter of getting things wrong than of being a bit ambiguous or tardy on occasion with their advice and instructions. They also cannot - yet - compensate for real-time route blockages, such as accidents.

No matter. Scrap the sun-

roof, delete the alloy wheels, slash the budget for the CD player - and, for around £1,500, put Kate or one of her colleagues at the top of the options list for the next car. If the pocket is deep enough and you do a lot of business travel, even the £3,000-plus of a retrofit is not an option to be discarded lightly.

In the few days that I have known Kate, I have tried to confuse her, deceive her, and have ignored her repeatedly. Each time, she has retrieved me patiently from the blind alleys, supermarket lots and other wildernesses into which I have strayed, and has delivered me to within 15 yards of even the most obscure addresses I had challenged her to find.

Her hidden technology is complex: notably the transmitter/receiver by which the car's shifting location is identified to within a few yards by satellite, and its integration with the map-

ping inside the CD-Rom. Yet, her outward appearance is disarmingly simple: a small, dashboard-mounted video screen and a hand-held control pad.

You will be given on-screen prompts which identify, for example, precisely which of London's dozen or so Park Streets is the intended journey's end (the FT is located beside one of them). Then, key in the street and area of destination on the key-pad and simply listen to Kate telling you, in the nicest sense, where to go.

At first, the tendency is to watch the screen while Kate calls the turns. Yard by yard, junction by junction, the screen provides a simplified graphic diagram of the route immediately ahead, with a big direction arrow showing the chosen path of the car.

Kate counts down every move - 200 yards to the

roundabout, 100 yards, then the calm instruction to take the third exit.

Stage one of familiarity is to start taking her words alone on trust. To look at the diagram - or the car's location on the physical map which also can be called up while idling at traffic lights - is recognised quickly as a superfluous exercise in scepticism.

Stage two takes longer to grasp.

On a journey from Ascot in Berkshire to the FT's office in Southwark, using the main A4 highway from the west, Kate urged me to "bear right" over the top of a roundabout. There was no bear right to be seen. She meant, really, that I should stay on the A4 itself and proceed over the slightly curving Hammersmith flyover. I chuckled at her fallibility. What a mess we would have got into, I sniggered, if we had gone off route into the roads labyrinth that is Hammersmith.

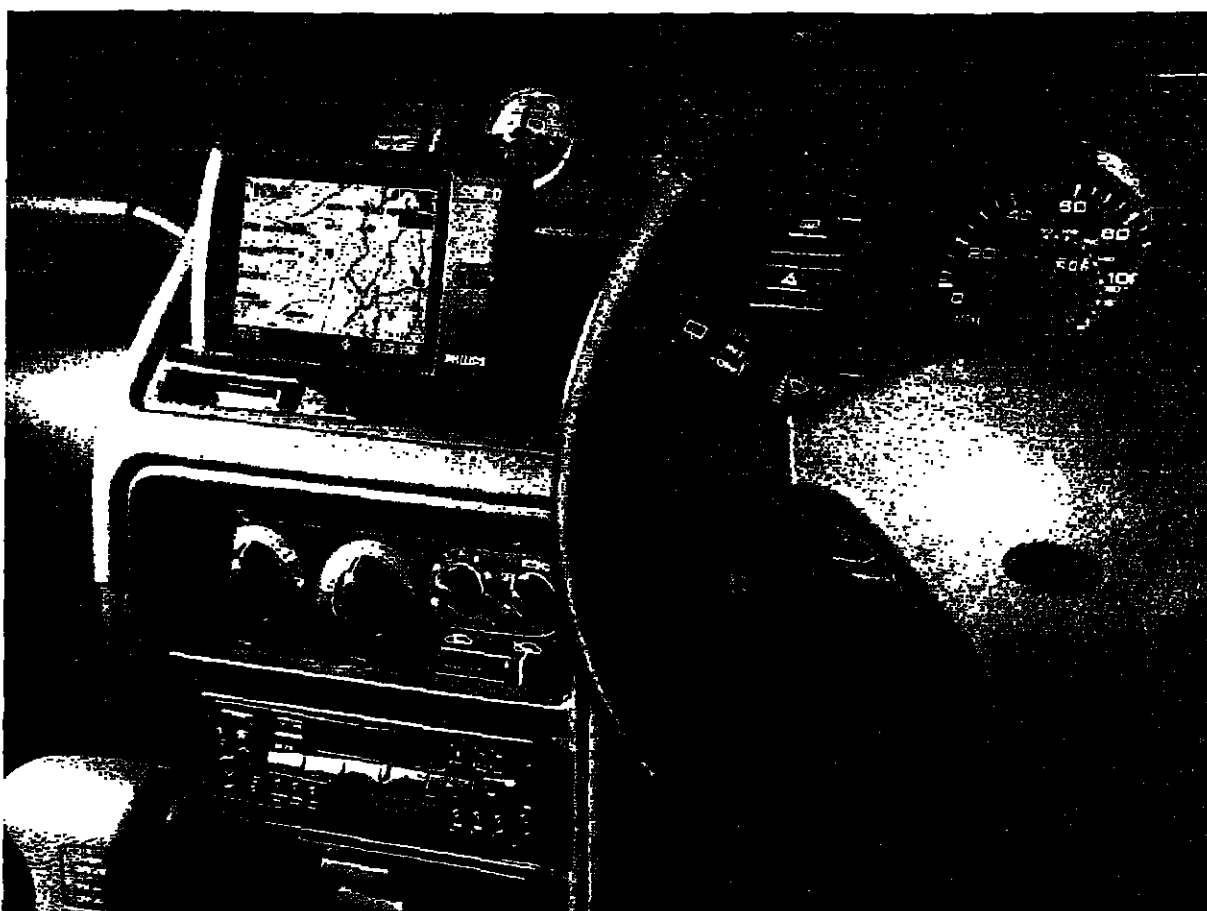
Gradually, though, we came to realise that it really didn't matter. Kate recalculates within seconds while on the move, you simply follow the amended instruction.

Cost remains daunting, but probably not for long. Ford's Mondeo and Volkswagen's new Passat are poised to offer Bosch's system as a sub-£1,500 option.

Within a year, car-makers from BMW to Daewoo will be offering one of the three systems almost right across their ranges. As volumes go up, costs will come down.

Then, too, mapping of the developed world should be almost global by the turn of the century. And the integration of GPS with real-time traffic information should be taking place, along with the introduction of CD-Roms containing not just maps but a wealth of en-route accommodation, emergency and other data.

From then on, Kate, I'll follow you to the ends of the earth - provided, of course, that you can direct me to the best restaurants.



A glimpse of the future...the Carin in-car navigation system. But it needs detailed traffic information to work at full efficiency

The voice of reassurance

Haig Simonian undergoes a conversion to in-car navigation

It was dark and drizzly as only Britain can be after a hot and sunny weekend elsewhere. My sense of direction had vanished long before our shuttle bus reached the long-stay car park somewhere on the outskirts of London Gatwick airport.

Once there and inside our BMW 5-Series, there was not a map in sight. Our location was, frankly, a mystery. The screen on the Carin navigation system - made by Philips and fitted to BMW's 5-Series and 7-series models - was equally unhelpful.

The problem was that Gatwick, south of London, lies just outside the M25 motorway which circles the capital. But NavTech, the US digital information specialist that supplies the data to Philips, has mapped in detail only the area inside the M25.

So, for want of anything better to do, we pulled out carefully behind the car in front and followed. Seconds later, however, Carin's monitor came to life and a

synthesised male voice reassured us of our whereabouts. It might not have been Damascus, but seldom can conversion - in this case, to on-board navigation - have happened faster.

Experience with the equipment confirmed our original enthusiasm. It was as enthralling to test the technology against familiar routes as unknown ones. Occasionally, though, there were glitches.

Navigation systems are only as good as the software on the CD-Roms whirring inside them. Theoretically, they should select the best way to reach your destination. But our system did not know about the closure of Hammersmith Bridge over the Thames in south-west London the previous week. Luckily, the human element was aware of the problem.

Nor could the software have been expected to take account of dense Saturday afternoon traffic in Fulham after a Chelsea-Manchester United soccer match. Yet,

only when navigation systems are linked to real-time traffic information networks will they be able to update routes based on road conditions.

Carin's insensitivity to local circumstances was more irritating when it came to warning times. Lane changes are supposedly geared to speed, allowing longer warnings on motorways than, say, in town traffic. But, without detailed traffic information, the warnings do not take account of specific conditions.

Carin's lane change instruction from the M23 on to the congested M25 failed to take heed of backed-up cars in the slip road. And the relatively late warning to turn off meant squeezing into a gap well along the queue, instead of a timely manoeuvre.

Likewise, lane change instructions in heavy London traffic, when cars were backed up behind red lights, sometimes came so

late they required embarrassing traverses across multi-lane junctions.

Some glitches were less forgivable. The software on our system was blind to Kensington Church Street, the obvious route to Notting Hill Gate, when heading east along Kensington High Street. Although it continued to direct us correctly once we had made the turn for ourselves, the omission was worrying. And, in Fulham, we were sent down one long-established cul-de-sac.

Finally, navigation systems obey the rules of the road - even if personal experience shows an illegal manoeuvre might be quicker. But if a U-turn saves you driving round the block, do not expect the machine to suggest it.

These, though, are all minor quibbles compared with the peace of mind you get. At more than £3,500 for BMW's factory-fitted Philips system, the price is still too expensive for most private motorists. Halve that, and it could be another story.



The Camry Sport: a sheep in wolf's clothing that performs best when driven hard. But it can be twitchy on minor roads



The Ford Scorpio Ghia: the front smiles like a Cheshire cat and the rear is a touch elephantine. But slide behind the wheel and you could imagine you were driving a Mercedes-Benz

Road tests

A choice of comfort or speed

Stuart Marshall puts new models from Toyota and Ford through their paces

Given a choice between comfort and speed, which would you choose when spending upwards of £20,000 on a new, four-door, five-seat car? Logical thinking favours comfort. Even cheap cars, let alone £20,000-plus saloons, now can shatter European motorway speed limits without exerting themselves although police forces are - rightly - taking an increasingly aggressive stance these days on speeding in towns and villages.

So, while you cannot avoid buying far more performance than can be exploited legally, there seems not much point in enduring discomfort merely to have even more unusable speed, handling and road-holding.

I pondered this when driving two cars back-to-back the other day. The Toyota Camry Sport (list price £23,210) had a five-speed, close-ratio, manual gearbox for fiercer acceleration than the normal model; larger wheels and squatter tyres for greater grip; and lower, firmer suspension.

The Ford Scorpio 2.3-litre Ghia (£23,270, with leather

seats and automatic transmission) was pretty much the standard product with a posher interior. Both cars had air-conditioning.

I liked the Camry Sport less than the £24,944 Camry V6 three-litre automatic I drove late last year (this column, December 21). I thought the V6 enshrined all the things mature motorists value. No doubt the Sport will attract the young and thrusting. It is a good car, but I found the Scorpio more to my taste.

The Sport is aimed at similar buyers (for which read user-choosers) to the Lexus GS 300 Sport. They may well move up to Toyota's prestige marque as their careers progress.

Like the Lexus, the Camry Sport was developed specifically for the British market. The design brief was to maintain the standard Camry's ride comfort and refinement while improving road-holding through suspension control and reduced body roll.

In the main, it succeeded. On minor roads, however, the Sport could feel nervous, shod with ultra-low

profile Pirelli P-Zero Corsa tyres, followed surface ridges. On motorways, it rode beautifully, although short sidewalls do little to help cushion the shock of a wheel dropping into a pothole.

The Sport is at its best when driven hard. Minor ride shortcomings and the fidgety steering are forgotten while it corners flat at

(8.8 l/100km) can be achieved, although not by drivers who use high engine speeds habitually. Toyota GB believes that more than 50 per cent of the 1,750 Camrys it will sell this year will be Sports with their front and rear spoilers, side skirts, mesh grille, and perforated leather seats that feel fine but look like plastic.

Like fine wines that improve with bottle age, the Scorpio (née Granada) has got better and better over the years. It was face-lifted heavily (and not altogether successfully) a couple of years ago. The front smiles like the Cheshire cat and the rear end is a touch elephantine. Slide behind the wheel, though, and you could imagine you were driving a Mercedes-Benz.

The German-built Scorpio Ghia - if you can ignore the rather unfortunate wood grain trimmings that might have been made from recycled toffee apples - has the air of a genuinely high-quality car. The new, 147hp, multi-valve, four-cylinder engine and four-speed automatic transmission are self-evidently refined.

In economy mode, the

transmission slips into high at under 40mph (64kph) and is not over-eager to change down. This makes for relaxed progress, with a reasonable 27mpg (10.5 l/100km) fuel consumption.

On paper, its standing-start acceleration is just slower than the Sport's. In practice, only manual gear-box cars driven brutally best automatically like the Scorpio away from the lights, especially with the transmission in performance mode.

Roads that felt quite bumpy in the squat-tyred Sport seemed to have smoothed out when I drove over them in the Scorpio. Rear-seat passengers enjoyed a massive amount of leg room as well as a ride undisturbed by engine, road or wind noise.

Drivers under 40 will be drawn naturally to the Sport. They might, I suppose, find the Scorpio Ghia automatic a touch staid. I loved it for its long legs on the motorway, air of solid worthiness, precise minor controls, and an in-car entertainment system that has buttons readable without glasses and is understandable by computer filters.

In economy mode, the

Motor sport

Bentley '36 proves a vintage to savour

Ivor Williams meets a man who's made his marque

It streaks from 0-60 miles an hour in 4.5 seconds, has a top speed of 140mph, and sticks to the road like a hare with Blu-Tack on its paws. What is it?

It sounds like the latest mass-produced hot hatch but, instead, it is a Bentley. A 1936 Bentley-Royce, to be exact. An open-topped, two-seater Bentley with a Rolls-Royce Phantom engine. Registration: "Doc 9".

This awesome machine has a 12-cylinder, eight-litre engine under a bonnet longer than most domestic garages. The power plant is a forerunner of the famous Merlin that powered the wartime Spitfire fighter aircraft, and a supercharger nudges it to delivering 500 brake horsepower.

The car is not for shopping, obviously. If it were, your eggs would be scrambled, your potatoes mashed before you were out of first gear.

No - it is strictly for racing. And, as a big British racing car, it is painted in pristine British racing green (what else?). It, and others like it, thunder round in sports car races just as they did in the 1920s and '30s.

This priceless vehicle is owned and driven by 55-year-old Bob Burrell. And, in spite of being a slightly graying grandfather, he is as enthusiastic now as he was when he started.

That was in 1965 at Crystal Palace, south London. Since then, his all-consuming passion has been to take his cars off to venues around the UK and Europe, race them, and cart them back again.

"Doc 9" has helped him to win 150 trophies and awards in races and events run through the Vintage Sports Car Club. Many litter the old chicken barn near Chelmsford, Essex, where his Bent-



Gently, Bentley...Bob Burrell loses his tail end during a hill climb

leys are prepared meticulously. He owns four (although one is being rebuilt) along with a grand prix racer from the 1950s.

Hill climbs and speed trials figure highly in his programme. Indeed, Burrell won the Brighton National Speed Trials in 1992 over a standing kilometre (five-eighths of a mile) course - since reduced to a quarter-mile to allow more braking distance after several fatalities. "I have a lot of friends who are no longer with us," he says.

Which brings us to safety. Shouldn't "Doc 9", and all the other Bentleys, have roll-over bars or safety cages? Burrell replies: "They didn't have them when they were built, so why should we now? There's no seat belt or harness, either."

"If you have a smash, you're thrown clear of the car and, hopefully, following vehicles, like a raggedy doll. That's the theory, anyway."

He recounts myriad incidents involving various broken bones just to prove his point.

In order to try breaking a few more records (and possibly bones), he is entering the Millennium event at Salt

Lake City, Utah, in 2000. Here, every driver will attempt to break 200mph.

He plans to use Bentley-Royce II, a similar car to "Doc 9". And he reckons that with some tweaking to the engine, plus work on the aerodynamics and using highly explosive methanol as the fuel, this speed is not just possible but probable. Certainly, the prospect is enough to speed one's internal metabolism.

One suspects "W.O." would have approved. The marque appeared in 1922 when Walter Owen Bentley, who trained initially as a railway engineer, made the first cars to bear his name. Since then, Bentleys have taken the honours in many races. These include the gruelling Le Mans 24-hour event, which they won five times.

Despite the racing successes, financial troubles eventually led to Rolls-Royce taking over the company in 1931 for a little over £125,000. But the Bentley legend lives on.

You can see it today when Burrell will be racing "Doc 9" at the Silverstone circuit in Northamptonshire. The 12 races will feature vintage, Edwardian and grand prix racers up to the 1960s. Let nostalgia reign.

A great
season
sizzles
to a
close

Only a couple of weeks ago, for example, Jackson Hole, Wyoming, which has had its biggest snowfall this

ditions. North America was good, too. But the huge early snowfalls brought danger later in the season with several avalanche deaths in



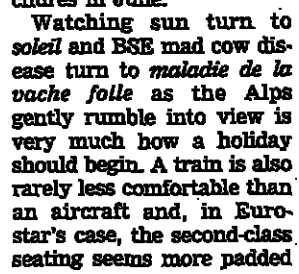
But skiers seemed happy whatever the conditions. Arnold Schwarzenegger, for example, with whom I chatted as we made a few turns

The French resort of Tignes has skiing 365 days a

Meanwhile, of course, it won't be long before the snow clouds are gathering over the Andes and New Zealand's Southern Alps...

A non-stop train ride to the Alps

The prices will be similar



Some sceptics were suspicious, however. They pointed to the opportunities the train provides to entice more British skiers to France at a time when that country is relatively expensive.

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TRAVEL

Wheeling in from the Pacific, the huge white gannets, with wingspans of around 6ft, flew close over our heads before coming in for an ungainly landing, careering to a halt among other nesting birds.

The colony, which is the largest mainland nesting place of the gannet in the world, was a narrow strip of bare earth, ending precipitously where the cliffs fell away to the sea more than 100 yards below.

Unperturbed by our proximity, more than 1,000 birds were busy feeding their young, regurgitating fish into their gaping beaks. We were high on Cape Kidnappers in Hawke's Bay, on the east coast of New Zealand's North Island.

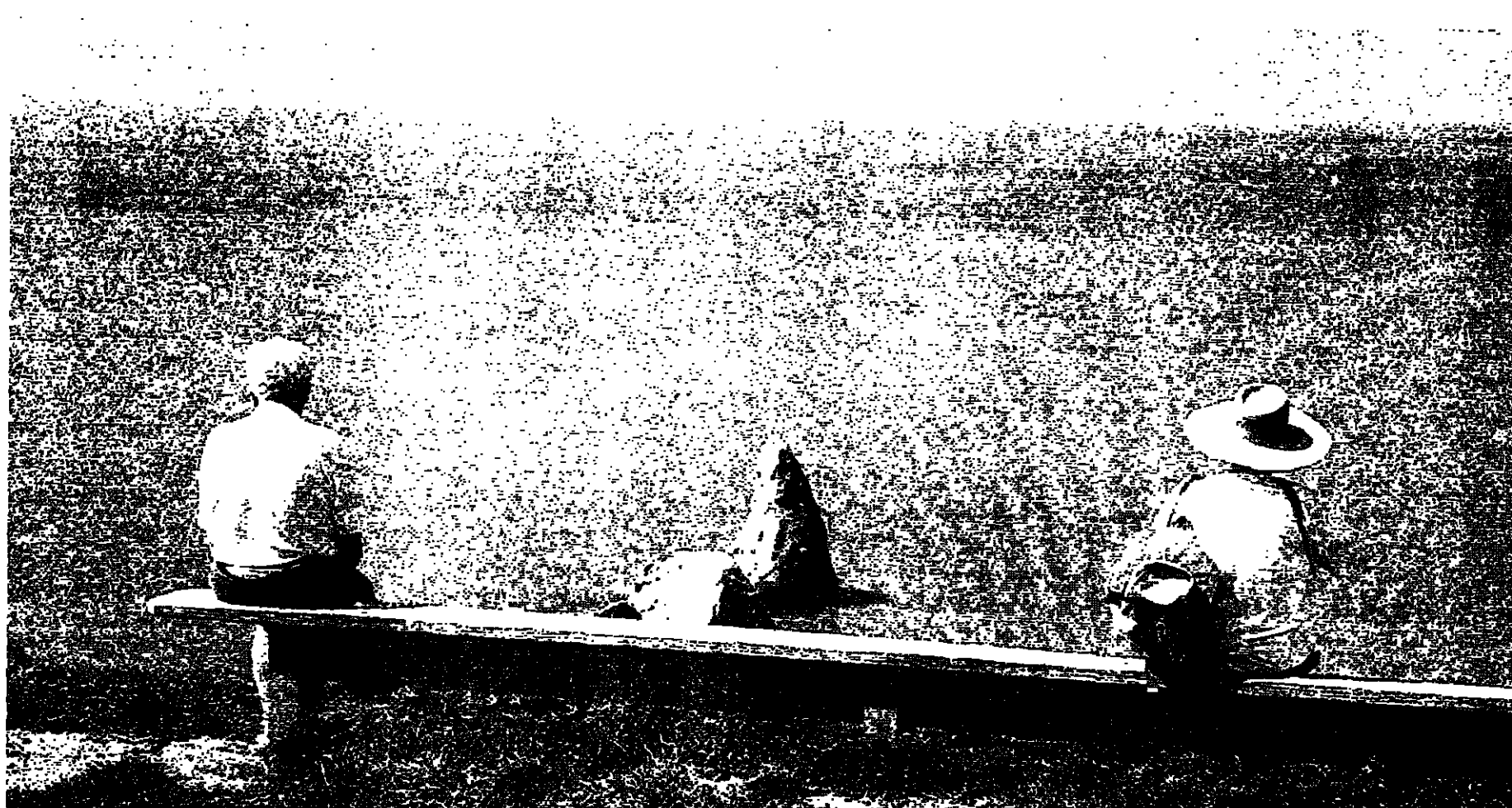
From our outlook, we could see the occasional plume of spray far out to sea as other gannets hunted shoals of fish. Forebears of these same birds would have been here when Captain James Cook's Endeavour passed by in 1769, charting the coast for the first time.

The temporary capture of one of his crew by hostile Maoris led Cook to name it Cape Kidnappers, but he also had time to comment on the fertility of the land. Now, Hawke's Bay is New Zealand's main fruit-producing area and, as we left the cape and drove back along the coast, we passed orchards laden with apples and pears.

A fellow passenger lived in the area. He told me that two years before, just before the harvest, a huge hail storm had wiped out the crop. "Lumps of ice the size of eggs smashed down, wrecking the fruit. My car looked like it had been attacked by a manic woodpecker with a cast-iron beak," he said.

Fruit growers were praying for a good year this time, he said. "A lot of people round here are now up to their eyeballs in debt and could lose everything if this harvest isn't good." Living close to the edge is part of life in this area of New Zealand.

Napier, the largest town in Hawke's Bay, is a peaceful seaside resort. But, one February morning in 1931, a massive earthquake ripped through the area, toppling



Cape Kidnappers in Hawke's Bay: from our outlook we could see the occasional plume of spray far out to sea as gannets hunted shoals of fish

Photographs: Nick Haslam

In the wake of Captain Cook

Nick Haslam watches birds and tastes fine wine on the east coast of New Zealand's North Island

most buildings and leaving hundreds dead. Barely had the dust settled and the last sod clattered down on the coffins than the determined survivors were planning the new Napier.

They built, understandably, in reinforced concrete, and chose a style with clean, simple lines and bas-relief decoration that was not only pleasing to the eye but safe in a high-risk earthquake zone. As a result, Napier now is one of the most cohesive Art Deco cities in the world and its streets, despite a few intruders from later years, are little changed since the 1930s.

I checked in at the A&B Building, an imposing hotel on the sea front, a pure Art Deco edifice from the lofty clock tower right down to



Clive Paton: 'Great to beat the French at their own game'



Grapes under nets in the Wairarapa

the sunburst veneer in its elegant lift. That night was, I discovered, the last of Napier's annual Art Deco festival, and the streets were crowded with couples wear-

ing blazers, boas and boat-ers, wandering arm-in-arm through the balmy February evening.

Feeling like a disreputable gatecrasher, I dug out the

least crumpled shirt from my bag and bought a ticket for the "supper crawl", where each of the three courses is eaten in a separate restaurant. I found

myself seated with a group who had chartered an old, twin-engined Dakota to fly up from Wellington for the weekend.

As we suntered through the warm evening to our dessert course, one of the group, a lawyer from Christchurch, said he had returned recently from London. "It was a lifestyle decision," he said. "Here, you spend less time in your car going to work, less time at work, and more time having fun."

As if to prove the point, his wife showed that it was, in fact, possible to do the Charleston and drink champagne at the same time, dancing fluently to the music of a small jazz combo on one of the street corners.

Monday morning dawned clear and warm. The straight

outlines of the Art Deco facades shone white against the clear blue of the sky. Shop owners were opening shutters and sweeping up the paper streamers as I drove towards Wellington.

Heading south through the Wairarapa, storm clouds gathered over the mountains of the Tararua range to my right. Down here, though, a strong sun beat down on a rich farmland. This area has one of the warmest climates in New Zealand and now produces some of the nation's best wines.

As I drove into Martinborough, I passed the small boutique wineries for which the region is becoming famous. I pulled in at the Ata Rangī vineyard. The 1993 Pinot Noir produced here won a trophy in 1996 at the Interna-

tional Wine and Spirit competition in London, and I was curious to meet the man who had produced such a world beater.

I found Clive Paton among his grapes under what was now a dark, thundery sky. In 1979, he gave up livestock farming and went into wine, producing his first vintage four years later.

"I opened the first bottle in secret, on my own," he said. "But, when I tasted it, I thought: if I can get this without knowing what I'm doing, then I'd better keep going."

There are 17 wineries on the Martinborough Terrace, a small area of ancient elevated riverbed with stony, free-draining soils and climate very similar to that of Burgundy.

Sitting on the steps of Paton's house by the vineyard, we tried a glass of the 1994 Ata Rangī Pinot. I found it delicious, but he insisted it would be better if kept for three or four years more.

I asked him what difference winning the trophy in London had made. "I suppose it justified all the work we've put in, but it was really great to beat the French at their own game," he said. The future was bright now for Ata Rangī, with turnover past NZ\$1m and full order books.

That night, my last in the Wairarapa, I stayed at the Ruamahanga, a small but luxurious hotel in the heart of rolling, dry country that reminded me of central Europe. We dined on beef raised by my hosts, Bronwin and Andrew, washed down with another excellent Martinborough Pinot. This one came from the Te Kairanga winery, a close neighbour of Paton's.

Seeing my enthusiasm for the wine, Bronwin said I should come back for the Toast Martinborough, a day of wine tasting held every November. I made a mental note, thinking there could be few better reasons to go so far.

Nick Haslam flew to New Zealand c/o Qantas and British Airways. Excursion return fares from London Heathrow to Wellington, with two free stopovers in Australia and south-east Asia, start at around £900 plus tax. His itinerary was organised by the New Zealand Tourism Board (tel: 0839-300 900).

Grand, old and still full of character

Giles MacDonogh visits Colombo's most famous hotel

They keep threatening to change the Galle Face, but so far nothing drastic has occurred. The front desk has been moved, and there is a little building work being eked out under the bar, but otherwise there is no evidence of the sort of misguided commercialism which turned that other great Asian hotel, the Raffles in Singapore, into a shopping mall with rooms.

Colombo's grandest, oldest hotel was built in 1864. On

great nude spaces containing a minimum of 1950s artefacts, enlivened only by the glorious view out to sea.

But these are only cavils: Colombo has its international hotels for anyone who requires that level of comfort, but they cannot match the timeless quality of the Galle Face.

The best way to enjoy it is over a cocktail in the bar, sipping gin and limes on the veranda while the sun disappears beneath the waves in a blaze of turquoise, mauve and salmon pink.

You eat under the arcade too: scorching Singalese curries with hoppers and sambals, or tamer dishes wrought in western styles.

These are made to suit the largely German clientele who otherwise might drift across the Galle Road to the Alt Heidelberg. The Alt Heidelberg's menu is even written in German, and they serve a remarkably authentic *Wiener Schnitzel* accompanied by imported beer.

There is not a lot to see in Colombo. The city's museums would occupy you for a day at the most. Possibly the most interesting is the Dutch Period Museum in Pettah: evidence of the more homely style of the colonialists who ran the island between the Portuguese and the British.

Dutch culture is never far beneath the surface in Sri Lanka. St Peter's Anglican church in the Fort was actually built in the ballroom of the old Dutch governor's palace. With the exception of the public schools, the tea plantations and the railways, 50 years after Independence, British culture is wearing thin. Given that their role officially ended 150 years before the British, the Dutch have proved remark-



The dining room at the Galle Face Hotel



The Galle Face: still fun and still famous

Photographs: Sam Murray

ably tenacious.

If you want to experience Dutch culture in Sri Lanka you must go to Galle, 120km round the coast to the south. The local equivalent of the Galle Face is the New Oriental, a former barracks building which was turned into a hotel in the late 19th century by a Dutch burgher family, who have run it since.

There are similarities between the two hotels. Both mourn famous proprietors: the sententious Cyril Gardiner, whose sayings were pinned up like legends around the Galle Face, died recently. So did Nesta Brohier, who was one of the attractions of the New Oriental until her death in 1995 at the age of 90.

Brohier is buried in the 18th century Dutch church next door. It is flanked by a

shiny Anglican version built in an unscholarly Gothic in the 1860s, but apart from the church the British seem to have abandoned Galle to the Dutch when they transferred Ceylon's chief port to Colombo in 1873.

You are never alone in Sri Lanka. A regrettable feature of the island are the trouser-peddling pests, as persistent and voracious as the local mosquitoes, who are anxious to flog you anything from a Victorian half crown to a night of "pleasure".

If you can shake them off for a short while it is worth walking round the fort in Galle, which lies to the south of the busy town, jutting out into the ocean with its solid bastions.

The best place to appreciate the Dutch architecture of the fort is in Hospital Street.

looking up Queen Street towards Church Street. The houses and public buildings are generally behind single storey Tuscan colonnades.

Besides the church with its tombs, much may be gleaned about the Dutch period from the museum, with its collection of VOC (Dutch East India Company) china and the Dutch Mansion, which is partly just a front for an enterprising local jeweller.

The National Maritime Museum is a rather exaggerated title for a collection of fish heads and a *papier mâché* porpoise, and can be given a miss.

There are few places to eat. Walker's Tea Rooms (the names remain, only the faces have changed colour) could provide me with nothing more than tea and chocolate.

You may take a three-wheeler up to Galle's smartest restaurant, the Clovenberg, which offers an international menu including Sri Lankan *buillabaisse*, prawn cocktail and something called "Mouille Marinier" which would translate as "sodden sailor".

Or you can brave the curry at the New Oriental, where one night I saw a group of bemused Englishmen being served Paul Masson Carafe wine from a solid silver wine cooler. With its old Dutch

furniture and prints and its ravishing interior bar, the New Oriental is certainly one of the chief sights of Galle and attracts an eccentric crowd who seem to make annual pilgrimages to the hotel.

During my three days there I observed the coming and going of several of them, ranging from what appeared to be an old fashioned women-only reading party, to a quiet professional type, who dined severely alone, to a semi-nocturnal American with a collection of classical music CDs, who liked to savour cocktail and cigar to the accompaniment of Satie's *Gymnopædies* at a table outside his room by the pool.

He had made a wise choice: the pool at the New Oriental is its most magical spot, isolated from Galle with its pedlars and sweet smelling frangipani trees. Like the Galle Face, there are rumours that change is coming to the New Oriental. Let us hope that those threats prove as empty as they have up in Colombo.

■ **Galle Face Hotel**, Colombo. Tel: 00-94-1-541010, fax 541072. Good rooms from \$65.

■ **New Oriental Hotel**, Galle. Tel: 00-94-9-34591. Good rooms \$30 to \$40.

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INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

CONCERT

Concertgebouw Tel: 31-20-6718345
 ● Koninklijk Concertgebouworkest, with conductor Esa-Pekka Salonen perform works by Debussy, Stravinsky and Bartok; Apr 16, 17, 18

EXHIBITION

Nederlands Scheepvaartmuseum Tel: 31-20-5232311
 ● Maritieme Meesters. Scheepvaart op Tekeningen, 1600-1800: exhibition featuring some 100 drawings providing a varied image of shipping at the time of the Dutch Republic. The works reflect shipping's status as the principal pillar on which the country's power rested; to Jun 30

OPERA

Het Muziektheater Tel: 31-20-5518117
 ● Il Re Pastore: by Mozart. Conducted by Graeme Jenkins, performed by De Nederlandse Opera. Soloists include Julianne Banse, Cyndia Sieden and Richard Croft; Apr 15, 17

ATHENS

CONCERT

Athens Concert Hall Tel: 30-1-7282333
 ● Staatskapelle Dresden: with conductor Giuseppe Sinopoli perform works by Schubert, Mahler and Bruckner. Part of the Schubert-cycle; Apr 15, 16

BARCELONA

EXHIBITION

Fundació Joan Miró Tel: 34-3-3291908
 ● Flying Over Water. The Icarus Adventure: An Exhibition by Peter Greenaway. British film director Peter Greenaway approaches the universal theme of the human desire to fly with a large installation occupying the entire exhibition space; to May 25

BERLIN

CONCERT

Philharmonie Berlin - Grosser Saal & Kammermusiksaal Tel: 49-30-2614383
 ● Deutsches Symphonie-Orchester Berlin: with conductor Dietrich Fischer-Dieskau, violinist Igor Budinstein and soprano Julia Varady perform works by Berlioz and Wagner; Apr 15, 16
 ● Tonhalle-Orchester Zürich: with conductor David Zinman and cellist Yo Yo Ma perform works by Dvorak and Schubert; Apr 18

EXHIBITION

Gemäldegalerie - Bodemuseum Tel: 49-30-209050
 ● Herren der Meere - Meister der Kunst. Das holländische Seebild im 17. Jahrhundert: exhibition featuring 17th century Dutch marine paintings. On view are works by artists including Hendrik Cornelisz Vroom, Willem van de Velde, Jan Porcellis and Simon de Vlieger; to May 25

OPERA

Deutsche Oper Berlin Tel: 49-30-3438401
 ● Der Fliegende Holländer: by Wagner. Conducted by Rafael Frühbeck de Burgos, performed by the Deutsche Oper Berlin. Soloists include Friedemann Kunder, Julia Varady, Jorma Silvasti and Nadja Michael; Apr 16

BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
 ● Die Grossen Sammlungen VI: Zwei Gesichter der Eremitage: selection of works from the collection of the Hermitage Museum in St Petersburg. Included in the exhibition are 150 gold objects from the Sothys (7th to 3rd century BC) as well as works by late 18th century and 17th century Italian, Spanish and French artists, including Caravaggio, Carracci, Reni, Velázquez, Murillo and Poussin; to May 19

OPERA

Oper der Stadt Bonn Tel: 49-228-7281
 ● Parsifal: by Wagner. Conducted by Jeffrey Tate, performed by the Orchester der Beethovenhalle Bonn and the Oper der Stadt Bonn. Soloists include Harry Peeters, Stephen Richardson and Franz-Josef Selig; Apr 13, 19

BRUSSELS

CONCERT

Palais des Beaux-Arts Tel: 32-2-5078200 (Concerts)
 ● Koninklijk Filharmonisch Orkest: with conductor Lothar Zagrosek, alto Violeta Urmana and the Dusseldorfer Konzertorchester perform works by Wagner, Schoenberg, Brahms, Schubert and Strauss; Apr 17

EXHIBITION

Palais des Beaux-Arts Tel: 32-2-5078200
 ● De Kunst van het Verzamelen: exhibition of 20th century works of art from the collections of five Dutch museums: the Van Abbemuseum (Eindhoven), the Haags Gemeentemuseum (The Hague), the Museum Boymans van Beuningen (Rotterdam), the Museum Kröller-Müller (Otterlo) and the Stedelijk Museum (Amsterdam). Artists represented include Picasso, Mondrian, Dibbets, Nauman, Malevich, Braque, Leger, Dubuffet, Jom and Kien; to May 25

BUDAPEST

EXHIBITION

Hungarian National Gallery Tel:



Wendy Ewald, 'Johnny Wilder, Kentucky, 1961', part of the 1997 Biennial Exhibition at the Whitney Museum in New York

36-1-17575333

● Magnificat anima mea dominum: display of fine art from the late Gothic period, with the restored panel painting 'The Visitation', dated 1506 and signed by Master M.S., a particular highlight; to May 25

CANBERRA

EXHIBITION

National Gallery of Australia Tel: 61-6-240-6411
 ● The Europeans: Emigré Artists in Australia 1930-1960: display of more than 200 works covering a wide range of media, by artists who emigrated to Australia from the 1930s to the 1960s. Paintings, drawings, photographs and prints, sculpture, ceramics, fashion, jewellery, furniture and architectural drawings are all featured, representing a number of European art movements, including Russian Constructivism, Bauhaus, Wiener Werkstatte and de Stijl; to Jun 9

CHANTILLY

EXHIBITION

Musée Condé Tel: 33-3-44-570800
 ● Raphaël et son Cercle: exhibition marking the centenary of the death of art collector and donor duke Henri d'Orléans, featuring 54 drawings by Raphael and his pupils, including Giulio Romano, Perino del Vaga and Polidoro da Caravaggio; to May 29

CHICAGO

EXHIBITION

Museum of Contemporary Art Tel: 1-312-262-2660
 ● Crimes and Splendors: The Desert Cantos of Richard Misrach: display of 200 photographs of the American desert, taken from Misrach's Desert Cantos series, begun in 1969. Images include natural and man-made disasters, space shuttle landings, military activities and mysterious deaths and burials of animals; from Apr 19 to Jun 29
 ● Performance Anxiety: exhibition featuring both existing and new installations by artists including Angela Bullock, Willie Cole, Paul McCarthy and Rirkrit Tiravanija; from Apr 19 to Jun 8

COLOGNE

EXHIBITION

Museum Ludwig Tel: 49-221-2212379
 ● Jasper Johns: retrospective exhibition devoted to the work of the American artist spanning four decades of artistic achievement, from his early paintings of flags and targets to recent densely layered canvases. Drawn from public and private collections throughout the world, the exhibition comprises approximately 200 paintings, works on paper, and sculptures, including recent work never before shown to the public; to Jun 1
 ● Schnütgen Museum Tel: 49-211-2212310
 ● Beuys und das Mittelalter: exhibition examining the influence of the Middle Ages in the work of artist Joseph Beuys. Common characteristics with work from the period include usage of colour as symbolism; to Apr 27

DUBLIN

CONCERT

National Concert Hall Tel: 353-1-6711888
 ● National Symphony Orchestra of Ireland: with conductor Alexander Anissimov and pianist John O'Connor perform works by Smetana, Mozart and Brahms; Apr 18

EDINBURGH

EXHIBITION

Royal Museum of Scotland Tel: 44-131-2257534
 ● Shibata Zeshin: Masterpieces of Japanese Lacquer from the Khalili



Rupert Graves and Susannah Doyle in 'Hurdy Burly' at the Old Vic in London

Collection: exhibition of works by Zeshin, the first lacquer craftsman to be widely known outside Japan in his own lifetime (1807-1891). On display are 70 pieces, ranging from writing boxes and sake-cups to miniature medicine-cases and decorative panels; from Apr 18 to Oct 1

FORT WORTH

EXHIBITION

Kimbell Art Museum Tel: 1-817-332-8451
 ● Georges de la Tour and His World: exhibition bringing together 32 paintings by the 17th century French painter and 10 works by leading contemporaries, including Caravaggio, Jacques Bellange, Simon Vouet and Hendrick ter Brugghen. La Tour is best remembered for his realistic portrayal of scenes from everyday life, such as beggars, musicians and cardplayers and for the dramatic themes of his religious works; to May 11

FRANKFURT

CONCERT

Alte Oper Tel: 49-69-1340400
 ● Katia and Marielle Labèque: the pianists perform works by Mozart, Debussy and Tchaikovsky; Apr 16

EXHIBITION

Schirn Kunsthalle Tel: 49-69-2998820
 ● Sammlung Aargauer Kunsthaus Aarau: display of 184 works by Swiss artists, from the time of the Enlightenment to the present day. Artists represented include Böcklin, Füssli, Klee, and Vallotton; to Jun 1

OPERA

Städtische Bühnen Oper, Ballett, Schauspiel Tel: 49-69-21237444
 ● Fidelio: by Beethoven. Conducted by Sylvain Cambreling, performed by the Oper Frankfurt. Soloists include Henk Smit, Patrick Raftery and Kristine Ciesinski; Apr 16, 19

GENOA

EXHIBITION

Palazzo Ducale Tel: 39-10-562440
 ● Van Dyck a Genova - Grande pittura e collezionismo: exhibition examining the years Flemish painter Anthony van Dyck (1599-1641) worked in Genoa. The display features some 40 of Van Dyck's paintings as well as works by artists including Titian, Caravaggio, Rubens, Vouet, Strozzi, Procaccini, Gentileschi and Cambiaso;

works by Tchaikovsky, Rimsky-Korsakov, Saint-Saëns, Donizetti and Rossini; Apr 18

EXHIBITION

Spink & Son LTD. Tel: 44-171-9307888
 ● An Artist's Pilgrimage from Canterbury to Rome: display of 100 watercolours by John Doyle, commissioned by the Dean of Canterbury to mark the 1400th anniversary of the Augustine Mission to Kent in AD597. Doyle retraced the footsteps of St Augustine, walking from Canterbury to Rome, painting places and views along the way; to Apr 25

THEATRE

Old Vic Tel: 44-171-928-2651
 ● Rupert Graves leads the cast in the British stage premiere of David Rabe's black comedy Hurly Burly, first in a season of new plays to be performed on Sundays and Mondays by the Peter Hall Company. The director is Wilson Milam; Apr 13, 14, 20, 21.

OPERA

Royal Opera House - Covent Garden Tel: 44-171-2129234
 ● Otello: by Verdi. Conducted by Myung Whun Chung, performed by the Royal Opera. Soloists include Kalfen Esparian, Leah-Marian Jones, Vladimir Bogachov and Robin Leggate; Apr 17

LOS ANGELES

EXHIBITION

Los Angeles County Museum of Art Tel: 1-213-857-6000
 ● Exiles and Emigrés: 1933-1945: exhibition focusing on the work of 23 painters, sculptors, photographers and architects in exile during the years of Nazi rule. It includes works by Kandinsky, Ernst, Chagall, Gropius and van der Rohe; to May 11

MARTIGNY

EXHIBITION

Fondation Pierre Gianadda Tel: 41-27-7223978
 ● Raoul Dufy: exhibition featuring a selection of works from 15 series of paintings by the French artist Raoul Dufy. The works on display come from European and American museums and private collections, including the Centre Georges Pompidou in Paris, the Metropolitan Museum in New York and the Phillips Collection in Washington; to Jun 1

MILAN

CONCERT

Teatro alla Scala di Milano Tel: 39-2-88791
 ● Orchestra Filarmonica della Scala: with conductor Carlo Maria Giulini perform works by Schubert and Brahms; Apr 16, 17, 19

MONTE CARLO

DANCE

Salle Garnier Tel: 33-93 15 83 03
 ● Printemps des Arts de Monte-Carlo: this year's festival includes performance by the Nederlands Dans Theater 1, Les Arts Florissants, the London Philharmonic Orchestra and the Freiburger Barockorchester with guest soloist Barbara Bonney; to May 5

MUNICH

EXHIBITION

Haus der Kunst Tel: 49-89-211270
 ● Richard Lindner - Retrospektive: the first large-scale exhibition of the illustrator and pop artist since his death in 1978. On display are 66 pieces, covering his early work from the 1940s through to later paintings where he used bold colours to recreate everyday images; to Apr 27
 ● Kunsthalle der Hypo-Kulturstiftung Tel: 49-89-224412
 ● Alberto Giacometti: display of works

by the Swiss sculptor, with over 60 pieces selected from the Fondation Maeght in St Paul-de-Vence; from Apr 17 to Jun 29

NEW YORK

CONCERT

Avery Fisher Hall Tel: 1-212-875-5030
 ● New York Philharmonic: with conductor André Previn and soprano Sylvia McNair perform works by Haydn, Mozart, Previn and Ravel; Apr 17, 18, 19

EXHIBITION

The Pierpont Morgan Library Tel: 1-212-685-0008
 ● Tiepolo and His Circle: Drawings in American Collections: exhibition featuring drawings by the 18th century Venetian artist Giambattista Tiepolo in a variety of media at every stage of his long career. These works are supplemented with others by such artists as Sebastiano Ricci and Giovanni Battista Piazzetta, both of whom greatly influenced Tiepolo's style; to Apr 13
 ● Whitney Museum of American Art Tel: 1-212-327-2801
 ● The 1997 Biennial Exhibition: the museum's eagerly awaited, often controversial two-year survey of American art this year balances older and younger artists and includes for the first time artists not born in but working in the US. Includes paintings, films, videos and installations by around 70 artists; to Jun 1

OPERA

Metropolitan Opera House Tel: 1-212-362-6000
 ● Die Walküre: by Wagner. Conducted by James Levine, performed by the Metropolitan Opera. Soloists include Deborah Voigt and Plácido Domingo; Apr 17

PARIS

EXHIBITION

Galerie Nationales du Grand Palais Tel: 33-1 44 13 17 17
 ● Angkor et Dix Siècles d'Art Khmer: exhibition displaying 113 examples of Cambodian art, including a number of stone, bronze and wooden sculptures. The exhibition draws mainly on the collections of the National Museum of Phnom-Penh and the National Museum of Asian Art in Guimet; to May 28
 ● Institut Néerlandais Tel: 33-1-53 59 12 40
 ● Kees Van Dongen retrouvé. L'oeuvre sur papier 1895-1912: display of work by the Dutch artist who settled in Paris in 1897, quickly gaining a reputation as a society painter; from Apr 17 to Jun 8

OPERA

Théâtre du Châtelet Tel: 33-1 42 33 00 00
 ● Lohengrin: by Wagner. Conducted by Daniel Barenboim, performed by the Staatskapelle Berlin and the Choir of the Deutsche Oper Berlin. Soloists include Emily Magee, René Pape and Falk Struckmann; Apr 13, 18, 19

PHILADELPHIA

EXHIBITION

Philadelphia Museum of Art Tel: 1-215-763-8100
 ● The Ingenious Machine of Nature: Four Centuries of Art and Anatomy: display of 120 works of art examining the parallel histories and relationships between artists and anatomists over the past 400 years. Featured artists include Raphael, Dürer, Rubens and Hogarth; from Apr 19 to Jun 15

SYDNEY

EXHIBITION

Museum of Contemporary Art (Inc. Power Gallery of Contemporary Art) Tel: 61-2-241-5876
 ● Asia Pacific Triennial - artists from China: exhibition of work reflecting the transitional and experimental nature of contemporary Chinese art. Featured artists include Wang Guang Yi, Zang Xiangang and Chen Yan Yin; to Jul 20

THESSALONIKI

EXHIBITION

Thessaloniki Cultural Capital '97 Tel: 30-51-867860-6
 ● Caravaggio: exhibition of works by Michelangelo Merisi da Caravaggio (1573-1610), shown alongside a number of works by his followers, known as the "Caravaggeschi": Bartolomeo Manfredi, Orazio Gentileschi, Carlo Saraceni, Orazio Borgianni and Battistello Caracciolo. The display takes place at the Government House (the Little Palace); from Apr 16 to Jun 15

TOKYO

CONCERT

Suntory Hall Tel: 81-3-35849999
 ● Yomiuri Nippon Symphony Orchestra Special Concert: with conductor Nello Santi perform works by Rossini, Dvorak and Brahms; Apr 13, 14

VIENNA

OPERA

Wiener Staatsoper Tel: 43-1-514442960
 ● Hérodiade: by Massenet. Conducted by Viotti and performed by the Wiener Staatsoper. Soloists include Coelho, Baftsa and Carreras; Apr 17

WASHINGTON

CONCERT

Eisenhower Theater Tel: 1-202-467-4800
 ● National Symphony Orchestra: with conductor Leonard Slatkin and soprano Camelia Johnson perform works by Wagner and Strauss; Apr 17, 18, 19

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Weekend Investor

London

A cool summer, not a scorcher

Ross Tieman sees no cause for over-confidence

The sun has been shining in London for a fortnight. Strolling in shirt sleeves, it is hard to miss the builders' skips and scaffolding that clutter the suburbs. Official figures show the number of new private sector homes started during the three months to the end of February rose by 30 per cent while shares in building and construction companies have picked up, outperforming the FTSE All-Share index by 8 per cent during the first quarter. The long-drawn-out economic spring is giving way to economic summer.

The London market has now factored in the prospect of a half-point rise in interest rates next month, and the possibility of a Labour government. In the absence of any clear lead from Wall Street, investors are biding their time.

During the past week, the FTSE 100 index has added around 34 points to 4707.7, while the All-Share has risen 14.93. But the gains are deceptive. An upward blip in utilities, arising from hopes that Labour's proposed windfall tax on excess profits might prove closer to £5bn than the £10bn many have feared, accounts for most of the rise. Nonetheless, investors are beginning to think a little harder about the economic cycle.

Until now, this has been a strange recovery - shapeless and insubstantial. Remember all that fuss about green shoots before the last UK election, five years ago? Now, no one can mistake the sound of trowel on brick - provided they are in London, that is, far recovery so far has been localised geographically and often industry-specific. This hesitancy has made it tricky for investors to profit by backing a sector poised to benefit from the recovery, bailing out once

the shares pick up, and moving on to the next sector in line.

In a conventional recovery, there is a clear pattern for investors to anticipate. An increase in demand triggers more orders from factories, which increase production until scarcity causes prices to rise and excess demand is choked off. Profits in each sector of the economy rise at different stages in the cycle.

The present pick-up in house-building and construction is reminiscent of events in 1985 or 1986. It suggests,

for instance, that consumers have regained sufficient confidence to increase their level of borrowing, and that enough companies have reached the limits of their office and manufacturing space to require more. It is a sign, in other words, of an economy where recovery is now well developed - although still some way from its peak.

A series of better-than-expected profits from Britain's house-builders in the latest results round, combined with positive trading statements, underlies a modest

rise in that sector's shares. The next obvious beneficiary of this increase in construction activity is the building materials sector, where a re-rating is just getting under way. The best-performing share in the FTSE 100 on Wednesday was Hanson, a former market dullard but now a building materials and construction equipment company.

If past patterns are repeated, DIY stores and makers of household goods will, in turn, start to do well. New houses have to be furnished, old ones modernised.

House prices in the capital are rising fast, making home-owners feel more prosperous. These feelings are already reflected in sales of new cars. Motor distributors reported improved profits during the results season and, with record car sales forecast this year, the market return is expected to continue.

Yet this spring sunshine is deceptive. Apart from being localised, the pick-up in construction comes from a low base. Then too, capacity constraints can appear quickly in construction.

UK gross domestic product grew by an unremarkable 2.3 per cent last year. According to the Confederation of British Industry, it will reach 2.5 per cent this year but ease to 2.6 per cent in 1998. If the CBI is right, this will be a cool economic summer rather than a scorcher.

That prognosis seems to be confirmed by the evidence from the stock market. Strategists say there are few signs of a runaway surge in mid or late cycle sectors. Capacity shortages are rare. Inflation is weak.

Underlying trends have become ever more difficult to discern. One reason is the improvement in business efficiency, which has dampened the build-up and run-down of manufacturers' stocks that used to accentuate the upswings and downturns. Another is the disconnection of the UK economic cycle from those in continental Europe. Weak sterling helped to revive the UK manufacturing sector; now, a strong pound is stifling its growth.

Long-term structural shifts cloud the picture, too. Consolidation is lifting financial services. Pharmaceuticals benefit from our predilection to spend more on health as we grow richer.

The strategists' response to such a complex web of trends is to focus on the strengths and weaknesses of particular companies. This is a stock-picker's market. Because the trend is uncertain, marketmakers are carrying minimal stocks of shares.

In consequence, brokers' buy notes have been causing disproportionate rises in share prices, with thin volumes traded.

Sector trends are a useful starting point but, right now, a good knowledge of the companies within those sectors is more important still.

Wall Street / John Authers

A buying opportunity

Wall Street spent the week reeling itself that the market had finally found a new level after its frightening falls of late March, a belief generally borne out by the way it returned to the volatility which had been characteristic for much of the previous four months.

With the Dow Jones Industrial Average at almost exactly the level it had reached on New Year's Day, and the technology-rich Nasdaq Composite some 10 per cent down from its peak, most of the froth has now been knocked off the top of the market.

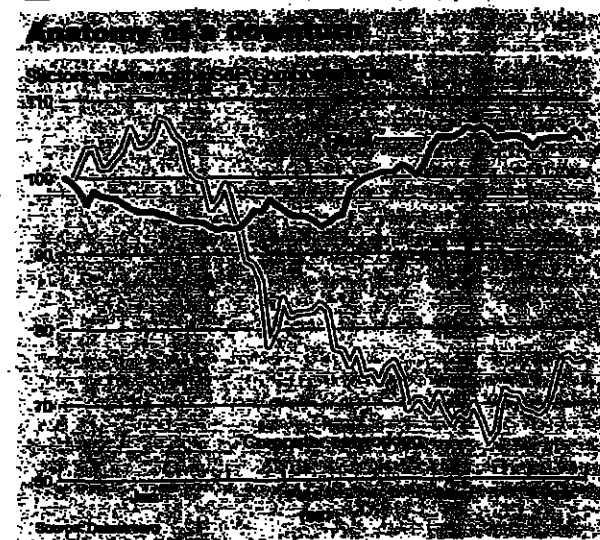
The task now is to find the next sectors and stocks to out-perform. Some believe that this requires finding a guard against inflation at the same time.

There is no question that the stocks which have been leading the prolonged bull market, and looked most over-valued, suffered the sharpest correction. For the year to date, the single poorest performing sector tracked by Standard & Poor's is computer networking. It has shed 30.48 per cent. The Nasdaq composite, a good proxy for the broader high-technology sector, started the year at 1281, got as far as 1388 by the third week of January, a gain of 7.5 per cent. But it spent this week hovering around 1260, 10 per cent off its peak.

This has not been uniform across all high-technology companies, however. The semiconductor sector is still showing comfortable growth for the year.

Meanwhile, the financial sector, buoyed both by low interest rates and almost continuous consolidation through mergers in the past two years, has also seen some of its shine forcibly removed. But, again, the pattern is not uniform. Consumer finance companies, vulnerable to high levels of personal bankruptcy, are down 6.5 per cent for the year, and continued tightening by the Federal Reserve cannot help them. This is also bad news for the banks with large credit card businesses. But savings and loans companies, the US equivalent of building societies, are up 17.5 per cent, as they continue to surf a wave of aggressive hostile bids.

The search for value in both financials and technology stocks will continue, but



analysts' attention is now moving to traditional guards against a downturn.

Consumer staples, such as pharmaceuticals, food, and retailing, are all finding their way on to investment houses' "buy" lists, as are real estate investment trusts, now the easiest way of investing in property. Healthcare, another sector where demand remains immune to the vagaries of the economic climate, is also popular, despite the continuing tangled politics surrounding the sector. And oil companies and utilities are moving up in the popularity stakes.

While analysts redesigned their portfolios, they also indulged in a renewed dose of speculation about Wall Street's faithful allies through the rally of the past two years - the small investors who have put money into mutual funds.

The technical importance of this new money is open to question, but its psychological importance is beyond doubt. Evergreen Securities, of Chicago, suggests that last year the record amounts going into mutual funds was the single strongest factor influencing market sentiment. This year, it says, the flows still rank second in dealers' minds.

So this week's news that cash flowing into mutual funds halved in March compared with the previous month had a depressing effect on the market. According to estimates by the Investment Company Institute, about \$9.5bn flowed into equity funds last month, down from \$18.45bn the month before. Last year the funds averaged monthly inflows of more than \$24bn

for the first five months.

Technical factors suggest this figure may be worse than it first appears, as fund companies normally benefit at this time of year from tax-related sales. Further, more detailed analysis of the flows shows that the money was predominantly moving into large-capitalisation stocks, or into money funds, which do not invest in stocks at all. Last year, appropriately named, "aggressive growth" funds, many of them specialising in small technology companies, had attracted the bulk of funds.

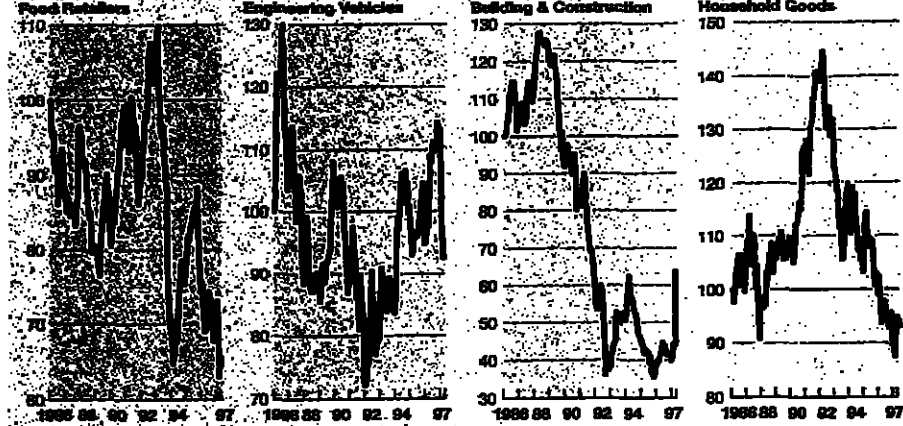
While fund firms tentatively report that sales have upped a little this month, suggesting that some investors are confident enough to treat the market's recent behaviour as a buying opportunity, it seems plain that small investors did not have the appetite to buy in the teeth of last month's correction. In the long run the most important lesson for the market is that mutual fund investors who were already in the market have shown that they can keep their heads while markets head downwards, despite the condescending suspicions of professional investors in New York.

All the historical evidence is that money does not flow out of mutual funds when there is a sharp correction - the industry even recorded a net inflow for 1997, the year of the sharpest fall on Wall Street on record. But that was before the modern era where funds can be sold instantaneously via the telephone or the Internet.

Last month shows that investors did not use this newly gained flexibility to exit the market en masse.

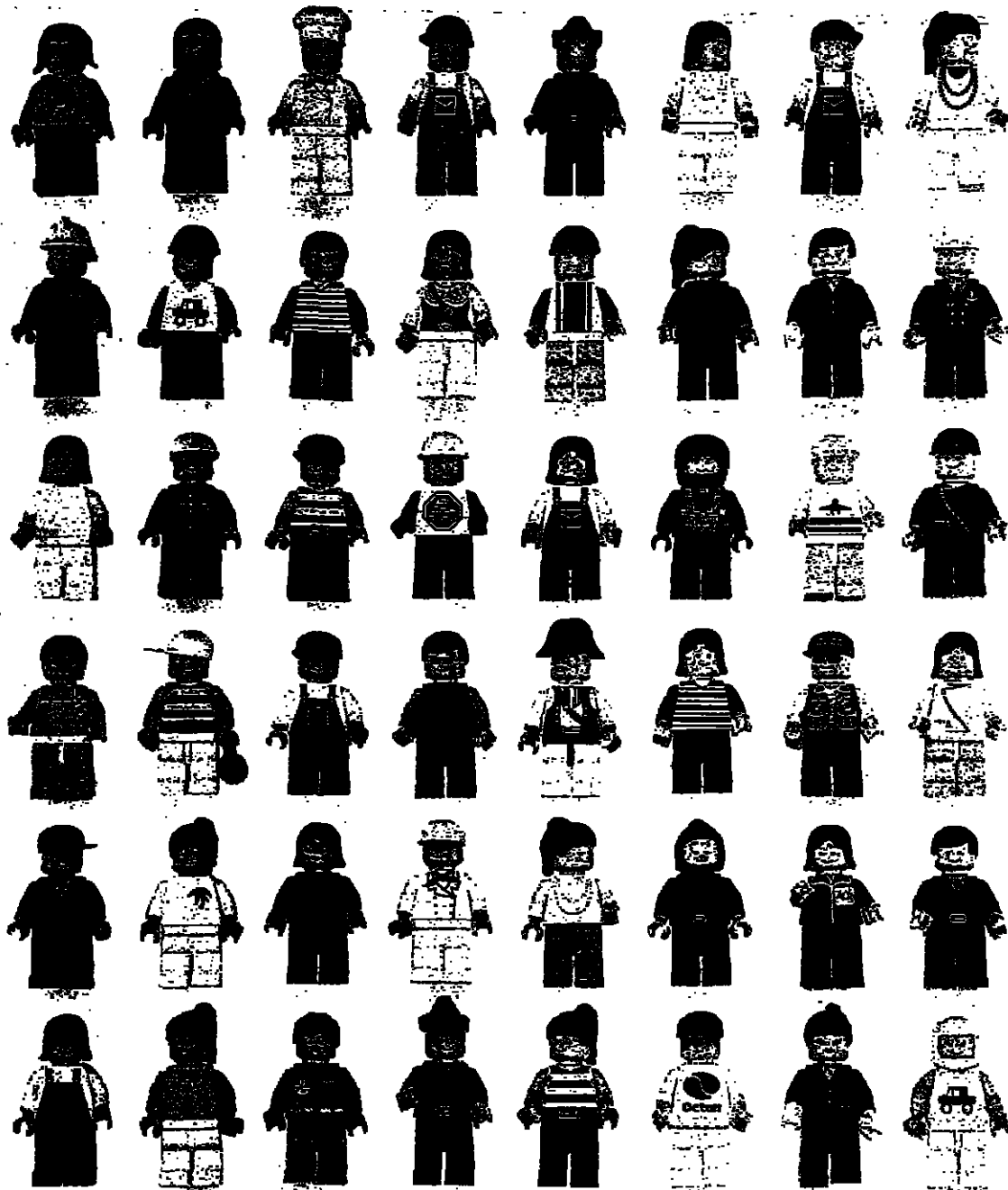
Learning to ride the cycles

Sectors relative to the FTSE All-Share Index



Highlights of the week

	Change	52 week High	52 week Low	
FTSE 100 Index	4707.7	4444.8	3512.6	Strength in utilities
Allied Domestics	431	553	407%	Slump in whisky sales
Ashley (Laura)	148	220%	125%	Strong retail sales environment
Broomfield	1420	222%	1430	Contact lens deal in US
Hanson	242%	21%	242%	Hopes for US construction/Tarmac sign
Oxford Molecular	423%	42	249%	New software package launched
RJB Mining	453%	48%	351%	Hopes of power station deal
SmithKline Beecham	902%	45	628%	DNB recommendation
Teva	110%	34	29%	Positive comment
United Utilities	574%	42	529	Windfall tax fears recede
Zeneca	1851	111	1930	Patent challenge rejected



SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.

And the real refugee could just as easily be the clean-cut fellow on his left.

You see, refugees are just like you and me.

Except for one thing.

Everything they once had has been left behind. Home, family, possessions, all gone. They have nothing.

And nothing is all they'll ever have unless we all extend a helping hand. We know you can't give them back the things that others have taken away.

We're not even asking for money (though every cent certainly helps). But we are asking that you keep an open mind. And a smile of welcome.

It may not seem much. But to a refugee it can mean everything.

UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.

UNHCR Public Information
P.O. Box 2500
1211 Geneva 2, Switzerland



United Nations High Commissioner for Refugees



Barry Riley

Major's 5-year hitch

Despite apparent Tory advances, trouble looms

Unusually, the present British government has lasted a full five years; the anniversary fell on Wednesday but it was uncelebrated, as far as I could tell. On the face of it, though, investors have much for which to thank the expiring Conservative administration. The All-Share Index has risen 80 per cent in five years, achieving an annualised total return of 15 per cent.

The share of company trading profits in gross domestic product has zoomed from under 12 to more than 15 per cent - although this has been at the expense of employees, who will do all the voting on May 1 and may well take their revenge.

Meanwhile, the long-dated gilt yield has fallen from 9.5 to 7.8 per cent, generating an annualised total return of 12 per cent in the process. Only building society depositors have reason to feel aggrieved at the paucity of their recent returns, but many millions of them are now cashing in on demutualisation windfalls.

In many respects, Britain's economic performance has improved. Inflation was running at 4 per cent last polling day and has eased to 2.7 per cent.

The 1992 election marked almost the bottom of the recession, and the economy soon began to grow - by 2.1 per cent annually on average over the full five years, but by a more impressive 2.9 per cent over the

past three. Unemployment, with some assistance from the statisticians, has tumbled by more than a third from its early 1993 peak. Sterling slumped, but has clawed its way back to a trade-weighted index level of 90.7 against 90.1 on April 9 1992.

Much of this looks very good and, in general, the Major administration's detailed micro-economic policies often have been very fruitful - if somewhat over-dependent on foreign investment. But macro-economic policy has been erratic and, recently, quite perverse.

There are strong hints - as with the 11 per cent growth in broad money over the past year, and the doubling of the national debt since 1992 - of renewed troubles to come.

Five years ago, at any rate, the fiscally prudent Labour party lost and John Major's government blundered straight into a crisis. Initially the economy weakened further under the burden of the 10 per cent-plus interest rates required by membership of the European exchange rate mechanism. Sliding house prices created the unprecedented nightmare of negative equity.

Within six months, the UK was dumped from the ERM and, with the public sector borrowing requirement soaring towards £50bn, or 5 per cent of GDP, early in 1993, the government formally reneged on its tax-cutting promises by launching a two-stage plan

for a big rise in revenues. Kenneth Clarke in his first Budget speech as chancellor in November 1993, said this was to sort out the public finances "once and for all".

The revenue forecasts, however, have been repeatedly over-optimistic. The PSBR has run at an average of 5 per cent of GDP during this five-year term. This week, an analysis by the Independent Institute for Fiscal Studies generated much hot air from the rival politicians about whether taxes have or have not risen. The fact is, taxes have not risen enough - or, rather, borrowing (which is deferred taxation) has filled the gap. In five years, the net debt of the public sector has risen from £168bn to an estimated £245bn - call it £3,000 extra for every British citizen.

From such a terrible start, the government was forced into an exaggerated version of the old tough-and-tender routine: pile on the agony in the first two years, then try to whip up a boom ahead of the next election. Major is now proclaiming that this boom (no longer downplayed as "steady growth") is real - but seems mystified that it is not reflected in the public opinion polls. Perhaps the electorate has seen it all before.

Once again, the absence of an independent central bank is allowing UK politicians to play fast and loose ahead of an election. In two

years, the broad money supply has risen by an aggregate 25 per cent. Inflation has been only 5 per cent cumulatively over those two years, but is quite certain to rise significantly by 1998.

In any case, Clarke has missed his target of underlying inflation of 2.5 per cent or less by the end of the parliament. The actual figure when parliament disbanded was 2.9 per cent, and any fall in the next few months (in fact, there could be a drop next week) will be temporary.

Meanwhile, that discredited standby, a house price upsurge, is being relied on to restore the suburban feel-good factor.

Even more seriously, the urgent pursuit of a re-election strategy has pre-empted the government's European policy. Whatever the political arguments about monetary sovereignty, as a practical matter there must be convergence of fiscal and monetary policies if the option is even to remain open.

Continental Europe's economic cycle happens to be at such a stage that convergence would require sharp rises in UK taxes so that interest rates could be brought down. In fact, the reverse policies are being followed (although interest rates are frozen until after the election). Ironically, therefore, the pro-European Clarke has himself closed off the single currency option.

Five years, it seems, may not have been long enough.

WEEKEND INVESTOR

Last week's preliminary results

Company	Sector	Year	Pre-tax profit (£000)	Basic EPS (p)	Dividend (p)
AFA Systems	AM	Dec	913 (-)	(-)	(-)
Alcatel	TELE	Dec	7,458 (1,000)	1.6 (-)	1.02 (1.02)
Asda	Retail	Dec	5,956 (19,500)	10.5 (88.9)	3.9 (-)
Auto Precision	Eng	Dec	5,700 (5,100)	0.5 (10.1)	4.7 (5.4)
Bentley & Rie	IT	Dec	(-)	(-)	0.7 (-)
Bentley & Rie	IT	Dec	2,110 (2,100)	1.0 (-)	0.5 (-)
British Drilling	Oil	Dec	2,140 (1,800)	12.4 (8.5)	5.8 (5.8)
Burghal Capital	Oil	Dec	272,400 (200,000)	74.2 (88.2)	6.9 (8.2)
CPS	IT	Dec	52 (305)	0.4 (4.7)	1.1 (-)
CA	Med	Dec	4,300 (4,000)	3.28 (2.8)	2.25 (2.15)
Calsonic Investments	Auto	Dec	(-)	(-)	40.0 (10.0)
Canal	Med	Dec	712 (700)	6.8 (6.9)	4.5 (4.5)
Cherwell	Med	Dec	5,400 (4,200)	16.3 (14.9)	3.9 (3.9)
City Centre Residents	AM	Dec	2,310 (-)	(-)	(-)
City Centre Residents	AM	Dec	16,000 (15,000)	6.58 (5.61)	2.5 (2.5)
Claxton Computing	IT	Dec	3,800 (3,800)	10.5 (-)	4.5 (4.5)
Claxton Computing	IT	Dec	2,800 (-)	(-)	(-)
Claxton Computing	IT	Dec	4,000 (2,500)	14.5 (12.1)	5.7 (5.7)
Claxton Computing	IT	Dec	2,400 (2,200)	10.5 (11.5)	4.5 (4.5)
Claxton Computing	IT	Dec	1,000 (-)	(-)	(-)
Claxton Computing	IT	Dec	577 (-)	(-)	(-)
Claxton Computing	IT	Dec	1,300 (1,400)	5.02 (2.2)	3.3 (3.3)
Claxton Computing	IT	Dec	6,200 (4,000)	17.8 (10.0)	2.75 (2.0)
Claxton Computing	IT	Dec	4,000 (3,000)	10.7 (-)	5.3 (5.3)
Claxton Computing	IT	Dec	3,400 (1,700)	12 (2.7)	1.8 (1.8)
Claxton Computing	IT	Dec	2,400 (1,500)	12.1 (8.7)	2.25 (2.25)
Claxton Computing	IT	Dec	6,000 (4,000)	18.4 (15.1)	7.5 (4.5)
Claxton Computing	IT	Dec	4,300 (1,500)	17.2 (14.9)	6.75 (5.85)
Claxton Computing	IT	Dec	3,200 (1,700)	20.93 (11.7)	5.5 (5.5)
Claxton Computing	IT	Dec	205 (-)	(-)	(-)
Claxton Computing	IT	Dec	13,700 (12,000)	27.8 (25.8)	9.3 (9.3)
Claxton Computing	IT	Dec	23,300 (18,000)	25.1 (27.8)	9.05 (12.4)
Claxton Computing	IT	Dec	2,400 (2,200)	15.9 (20.7)	4.0 (4.0)
Claxton Computing	IT	Dec	800 (200)	3.7 (1.3)	1.5 (1.5)
Claxton Computing	IT	Dec	253.75 (-)	(-)	7.24 (-)
Claxton Computing	IT	Dec	500 (17)	2.0 (-)	(-)
Claxton Computing	IT	Dec	9,000 (4,000)	(22.45)	12.8 (12.8)
Claxton Computing	IT	Dec	3,300 (-)	(-)	(-)
Claxton Computing	IT	Dec	1,900 (-)	(-)	(-)
Claxton Computing	IT	Dec	1,200 (1,700)	12.2 (-)	1.7 (1.7)
Claxton Computing	IT	Dec	1,400 (1,400)	0.2 (2.5)	0.2 (-)
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Claxton Computing	IT	Dec	3,300 (3,300)	2.35 (-)	0.3 (-)
Claxton Computing	IT	Dec	18,200 (17,100)	75.2 (67.7)	28.9 (28.9)
Claxton Computing	IT	Dec	29,300 (27,000)	88.8 (80.9)	24.5 (24.5)
Claxton Computing	IT	Dec	600 (1,000)	1.4 (2.3)	1.5 (1.5)
Claxton Computing	IT	Dec	5,600 (5,600)	24.87 (24.5)	13.5 (13.5)
Claxton Computing	IT	Dec	510 (182)	0.9 (1.1)	(-)
Claxton Computing	IT	Dec	118.71 (100.3)	0.18 (0.34)	12 (7.8)
Claxton Computing	IT	Dec	1,700 (1,800)	14.9 (15.2)	5.1 (5.1)
Claxton Computing	IT	Dec	425 (370)	0.87 (2.05)	0.1 (0.1)
Claxton Computing	IT	Dec	201,100 (200,100)	12.8 (28.0)	4.2 (4.2)
Claxton Computing	IT	Dec	62,300 (57,700)	71.0 (75.7)	1.55 (1.55)
Claxton Computing	IT	Dec	6,200 (5,200)	18.1 (13.8)	7.8 (7.8)
Claxton Computing	IT	Dec	117 (-)	(-)	(-)
Claxton Computing	IT	Dec	10,300 (10,300)	0.4 (1.1)	0.5 (0.5)
Claxton Computing	IT	Dec	79,000 (65,000)	24.1 (22.2)	18.25 (18.25)
Claxton Computing	IT	Dec	402.5 (400.0)	4.8 (2.3)	3.8 (3.8)
Claxton Computing	IT	Dec	210 (-)	(-)	(-)
Claxton Computing	IT	Dec	3,400 (1,400)	(-)	(-)
Claxton Computing	IT	Dec	4,200 (2,200)	11.9 (7.1)	5.8 (4.7)
Claxton Computing	IT	Dec	1,810 (1,810)	10.7 (24.3)	8.0 (8.0)

Results due next week

Company	Sector	Year	Pre-tax profit (£000)	Basic EPS (p)	Dividend (p)
Alcatel	TELE	Dec	7,458 (1,000)	1.6 (-)	1.02 (1.02)
Asda	Retail	Dec	5,956 (19,500)	10.5 (88.9)	3.9 (-)
Auto Precision	Eng	Dec	5,700 (5,100)	0.5 (10.1)	4.7 (5.4)
Bentley & Rie	IT	Dec	(-)	(-)	0.7 (-)
Bentley & Rie	IT	Dec	2,110 (2,100)	1.0 (-)	0.5 (-)
British Drilling	Oil	Dec	2,140 (1,800)	12.4 (8.5)	5.8 (5.8)
Burghal Capital	Oil	Dec	272,400 (200,000)	74.2 (88.2)	6.9 (8.2)
CPS	IT	Dec	52 (305)	0.4 (4.7)	1.1 (-)
CA	Med	Dec	4,300 (4,000)	3.28 (2.8)	2.25 (2.15)
Calsonic Investments	Auto	Dec	(-)	(-)	40.0 (10.0)
Canal	Med	Dec	712 (700)	6.8 (6.9)	4.5 (4.5)
Cherwell	Med	Dec	5,400 (4,200)	16.3 (14.9)	3.9 (3.9)
City Centre Residents	AM	Dec	2,310 (-)	(-)	(-)
City Centre Residents	AM	Dec	16,000 (15,000)	6.58 (5.61)	2.5 (2.5)
Claxton Computing	IT	Dec	3,800 (3,800)	10.5 (-)	4.5 (4.5)
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Claxton Computing	IT	Dec	1,000 (-)	(-)	(-)
Claxton Computing	IT	Dec	577 (-)	(-)	(-)
Claxton Computing	IT	Dec	1,300 (1,400)	5.02 (2.2)	3.3 (3.3)
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Claxton Computing	IT	Dec	4,300 (1,500)	17.2 (14.9)	6.75 (5.85)
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*Dividends are not pence per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about six weeks after the board meeting to approve interim results. 1st quarterly, 2nd quarterly, 3rd quarterly. This list is not necessarily comprehensive since companies are no longer obliged to notify the SE of interim announcements.

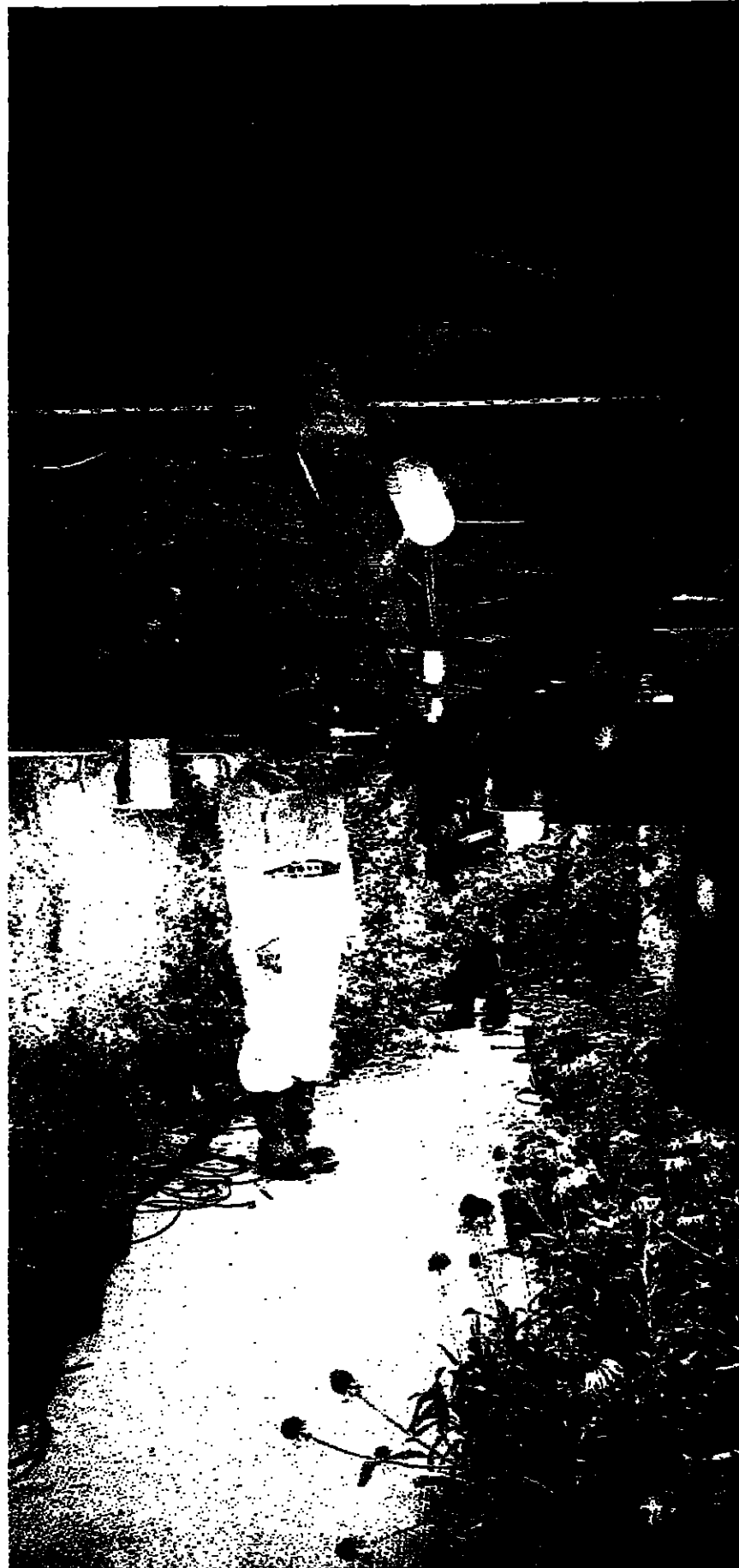
Last week's interim results

Company	Sector	Year	Pre-tax profit (£000)	Basic EPS (p)	Dividend (p)
Alcatel	TELE	Dec	7,458 (1,000)	1.6 (-)	1.02 (1.02)
Asda	Retail	Dec	5,956 (19,500)	10.5 (88.9)	3.9 (-)
Auto Precision	Eng	Dec	5,700 (5,100)	0.5 (10.1)	4.7 (5.4)
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FT WEEKEND



Arctic conditions for seven months in the year used to make providing fresh fruit and vegetables for the miners impossible - but no longer, thanks to the underground Hudson Bay gardeners



Arcadia

A subterranean Eden

Karen Considine discovers a miracle down a mine shaft that now has medicinal purposes

Nearly a quarter of a mile underground, the mist swirled against the moist brown walls of the mined-out tunnel. The miner's lamp on my helmet flickered and I stumbled over a narrow gauge railway track, wondering if a ghostly wagon laden with copper ore would suddenly appear out of the gloom.

Then the miracle unfolded. Through the tangy odours of mud and damp, and enveloped in utter darkness, fragrances wafted through the tunnel. There was sweet basil and oregano, lemon thyme and rosemary.

The fortified door of an old dynamite storage depot came into view. Flung open, all was colour and light. The Hudson Bay Mining and Smelting Company's Subterranean Growth Chamber, to give the underground Eden its full name, was mimicking daylight 1,100ft below ground.

The garden lies beneath the town of Flin Flon in northern Manitoba, Canada. It all began as an experiment by the Hudson Bay Company to heal the scars that mining inevitably leaves, and to get around a harsh climate in which summer lasts a bare three months and winter temperatures hover between minus 15° and minus 35° centigrade.

The idea was to start a nursery for shrubs and saplings, which struggled to grow on the reclaimed mining land above ground. Seven years ago, the gardening began in a 350 sq metre cavern, which had been a powder magazine when this level of the copper and zinc mine was still in original use.

Blue metal halide and reddish sodium lights, which provide a spectrum comparable to sunlight, give a surreal look to the plants. But the very ordinariness of the shrubs and herbs, the tomatoes and raspberry canes, was reassuring and told of the success of subterranean cultivation.

When the first pine seedlings were planted in February 1990, given 15 hours of "daylight" and a controlled temperature of 25°C by "day" and 17°C by "night" they grew like Jack's beanstalk - about three and four times faster than the equivalent growth in greenhouses above ground.

"So then we started trying out other produce. It is always a

problem in remote mines in the Arctic or the desert providing fresh fruit and vegetables for the miners," said Ron O'Neill, who is the project supervisor. "Well, the herbs produce 10 inches of leaves a fortnight and you saw the size of the tomatoes."

"When we brought in 80 bare rose stems we had more than a thousand blooms within three months. There are many theories and I think the lack of stress to the plants has a lot to do with it. No battles with the climate, no bugs or pests."

But, as O'Neill confessed, they are having trouble raising spuds "worth a dime" and are not quite sure why. "They're cousins to the tomatoes. The theory is that there's about one part per billion

gasoline in the air of the mine and the root vegetables don't get any of that. Maybe a little bit of pollution ain't so bad."

It seems that plant species of ancient lineage give the most spectacular results. The company scientists speculate that this is because the slightly elevated carbon dioxide levels in the air duplicate the natural atmosphere of more primitive times.

Halfway along the chamber, there was a rough wooden door marked "Detonators". This smaller cave is the potting shed and home of the fertiliser, mixed with the water in what O'Neill calls "the fertigation system".

All around, healthy plants jostled for attention. Hibiscus, Madagascar periwinkle, purple coneflowers and rain birch reached towards the silver reflectors which threw light directly down on them.

The saskatoon berry bushes looked pleased with themselves. Above ground they grow about eight inches per annum and wait a few years before blooming. Down here, they are shooting up a metre in four months and then blooming right away.

The success beneath the

ground at Flin Flon has attracted the attention of pharmaceutical companies, which are keen to use similar environments for slow growing medicinal plants. They are very interested in an anticancer agent in the Pacific yew tree, which has grown at least twice as quickly as its normally slow above-ground rate.

Coneflower, digitals and periwinkle, used for the treatment of cardiac and respiratory illnesses, are all flourishing. But the enormous potential for cheaper, more effective drugs has begun to change the personality of the underground garden, with mining authorities becoming more reluctant to allow visitors to be amazed by their cultivation cave.

My ears popped as I emerged at ground level from the mine's elevator, and my nostrils froze together in the minus 30°C air. A group of miners were waiting to descend to the lowest level where ore is still won in commercial quantities.

"Been to see our garden?" asked one. "They used to grow us roses for our wives but I hear they've got drugs down there now. Tell Ron to give us a share in his marijuana!"

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by speeding, swerving and skidding towards their destinations.

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True Fiction

Knocking our leaders into the right orbit

Michael Thompson-Noel provides poetic guidance for all politicians

On May 1, Britain goes to the polls to elect a new government. Those of you who live in Ust Vaga, shall we say, may not find that gripping. But if you live closer to London you may be quaking in your shoes, wondering whether the intractable, glibly British are likely on May 1 to vote in an even worse government than the exhausted, sleaze-ridden, internecine Conservative party gang that is now begging to be re-elected, as though, after 18 years, everyone was not heartily sick of them.

This election is not unimportant to Europe's future. As Britain's European Union partners know to their cost, the British under the Tories have displayed an instinctive talent for upsetting the apple-cart of European federalism, European federalism being the grand cause to which I and Germany's Chancellor Helmut Kohl have devoted the best years of our lives.

In spite of its importance within Europe (if not much beyond), the election campaign to date has been typically petulant and childish. The Tories have faced additional allegations of scandal and corruption. And there have been predictable wrangles about which party would raise tax rates most speedily if voted into power. There has been nothing inspirational or edifying. No vision or poetry. Nothing about the millennium or beyond.

Yesterday, I attempted to nudge things into orbit by contacting the leaders of the three main parties, to berate and cajole them. Things started badly. I could not reach Tony Blair, the funky, charismatic and unbelievably sexy leader of Britain's "New" Labour party (as opposed to its "Old" Labour party), who enjoys a big lead in the polls.

Nor could I raise Brigadier-General Paddy Ashdown, the gung-ho but pompously pious leader of the Liberal Democrats, who are doing inexpressibly badly in the polls.

But John Major was not a problem. He very seldom is. He is the prime minister, though probably not for long, given the raggle-taggle state of the Conservatives. Major sounded tired.

"I am glad to have got through to you on the telephone," said the prime minister. "Although I am still considerably confident of success at the hustings, I want to pick your brain, Michael. My campaign needs retuning. I am not expecting a landslide victory. But I would like a win of some sort, thus enabling me, without fear or favour, to continue to ameliorate the lives of everyone, be they dukes or duchesses, greenkeepers or bus conductors. What say you?"

My brain switched into hyperdrive. "Three things," I said. "First, be careful where you go. Your appearance at Aintree racecourse on Monday, for the Grand National steeplechase, was pathetic. When IRA bomb threats caused last Saturday's scheduled running of the race to be postponed, you should have taken the hint and stayed well away."

"Your predecessor, Margaret Thatcher, had the Falklands war to bolster her political stock. But on Monday you tried to play the patriot card and

snub the terrorists by attending a horse race that ought to be banned anyway. Quite soon it will be. It's a disgrace. On Monday, two horses were slaughtered. One smashed its neck, another its shoulder. And there you were, right in the middle of it. Awesomely tawdry."

"Second, get some sleep. Amanda Mitchison, an excellent Sunday Telegraph hack, wrote about your appearance last weekend. She said your small Kermit mouth had narrowed still further with the strain of too many Tory sleaze stories and too few points in the polls. But the public, added Mitchison, still loved you, especially the under-12s and over-60s. Trouble is, John, my tracking polls reveal that your support is still crumbling. You are now best loved among the under-10s and over-70s. Get some sleep."

"This is considerably helpful," said Major. "I have made a note of those points in my notebook. What is your third observation, Michael?"

"Third," I said, "say something nice to Europe. Where is Britain going? Will we ever stop giggling and curb our

'The action's all aloft. Perihelion. Killer comets. Transmogri-whatsit. Ain't heard of no election'

selfishness? Can we become team players? Will we join in the great European adventure - the march to federation - or will we stay on the sidelines, jeering yobbishly?"

"I have every confidence," said the prime minister, not at all testily, "that my third administration will succeed in its over-arching quest to make the rest of Europe more like Britain. I do not say, Michael, that the rest of Europe wants warm beer and cricket. That is to simplify the nub of my message. But without doubt the lives of our European cousins would be considerably enhanced if they would only ponder the qualities that have made Britain great these past few thousand years, and resolve to adopt our ways."

"I find your suggestions most constructive, Michael. You have wisdom aplenty. But how am I doing in cool circles? You are in touch with the street. Perhaps you would consult your friends and telephone me at your leisure."

Last night, I asked my dealer how Major was faring overseas. I live in Notting Hill, London's hippest neighbourhood. We all have a dealer. Mine is called Darcy - young, black, a master of cool. He deals in geraniums. I buy mainly pinks and whites.

"Election is it," parried Darcy. "It ain't reached the street. To paraphrase Martin [Amis], the earth's still orbiting the sun at 30km per second. So the street's still travelling in the general direction of Virgo at 260km per second. Milky Way whatever. That's the thing, Mike. The action's all aloft. Perihelion. Killer comets. Transmogri-whatsit. Ain't heard of no election."

Metropolis

Poetry and death in motion

Ted Bardacke on the Po Teck Teung teams of Bangkok, a rescue service for this life and next

You should ask for anything you want," said the hyperactive temple attendant. The certificate marking the donation of one coffin for those too poor to pay for a proper Thai burial was burning in a large incense-scented urn. "Maybe it will be the last time you get to make a wish."

The comment was not meant to be morbid. The attendant was paying his respects to donors at Wat Phlabphrachai, spiritual headquarters of one of Bangkok's more curious institutions, the Po Teck Teung Foundation. It is where urban Thais, particularly those of Chinese descent, give money so that the dead may have in death - a decent cremation or burial - what they did not have in life.

Morbidity is more associated with the Po Teck Teung workers at a separate operations centre where the city's body snatchers congregate. Part rescue team, part forensic officers, part macho speed

demons, the Po Teck Teung teams, along with those from a rival organisation, Ruam Katanyu, cruise Bangkok at night in low-slung, modified pick-up trucks in search of car wrecks and other disasters.

Those found living are rushed to hospital in the back of the pick-ups, and are very grateful, as the city's emergency services could not cope without the charitable assistance.

But, with ears tuned to their police radio scanners and circling the city like scavengers, the Po Teck Teung teams are also looking for death.

"I've always liked to see dead bodies since I was young. I used to go to watch first-year medical school students open up

corpses," says Kanjongsak Kong-in, sitting in a dreary neon-lit office littered with spare motorcycle parts. A large-screen television is showing film of the effects of a car bomb the previous night.

Thai Buddhists do not fear death, so dead bodies are not feared either. Corpses are respected, especially in the first seven days after dying, when a person's spirit still lingers around the body, having not yet figured out that its physical carrier is dead.

Kanjongsak says this respect leads him to document death for the foundation on video and stills for sale to the Thai media. Pictures of dead bodies litter television programmes and

newspapers. There are magazines, such as 191 (named after the emergency telephone number), devoted entirely to publishing pictures of people who have died a violent death.

There is even a popular Thai expression "Thai Moong" - literally "Thai people look" - to describe the group of people who inevitably gather at the scene of a disaster.

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high speed where only the dead deserve to die."

That is where Po Teck Teung comes in. Founded at the turn of the century in honour of Thai Hong Kong, a Chinese Buddhist monk who became a saint of mercy 900 years ago, the foundation's central Bangkok cemetery for the poor or orphaned has run out of room.

Po Teck Teung has just completed a fundraising drive to collect money to build a new cemetery to the north of Bangkok capable of holding 20,000 of the deserving dead.

Kanjongsak claims this new operation will run out of space in two years.

"After that we'll dig up the bones and burn them, creating space for the new ones," he says. "Just like they do with the steel from old crashed cars."

Chen Hsueh-ling, 1996
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